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LEGISLATIVE HISTORY

Public Law 900--80th Congress

Chapter 830--2d Session

H. R. 6916

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DIGEST OF PUBLIC LAW 900

POSTAL RATES - FEDERAL EMPLOYEES SALARY ACT of 1948.

The Postal Rate Revision and Federal Employees Salary Act of 1948 provides for pay increases for postal employees; revises the postal rates, effective January 1, 1949; provides for a $330 per annum, across-the-board pay increase for most Federal employees paid on an annual basis, and a 20¢-per-hour increase for those paid on an hourly or part-time basis; raises the ceiling on salaries for Federal employees set by the Pay Acts of 1945 and 1946 to $10,330; and provides that the Act shall take effect on the first day of the first pay period which begins after June 30, 1948.

INDEX AND SUMMARY OF HISTORY ON H. R. 6916

June 30, 1947	Senator Flanders introduced S. 1537 which was referred to the Senate Committee on Civil Service. Print of the bill as introduced. (Companion bill).
December 10, 1947	Senator Langer introduced S. 1848 which was referred to the Senate Committee on Civil Service. Print of the bill as introduced. (Similar bill).
January 15, 1948	Hearings: Senate, S. 1848.
February 19, 1948	Rep. Rees introduced H. R. 5472 which was referred to the House Committee or Post Office and Civil Service. Print of the bill as introduced. (Similar bill).
March 12, 1948	Hearings: Senate, S. 1537.
April 8, 1948	Senate Committee reported S. 1537 with amendments. Senate Report 1113. Print of the bill as reported.
A pril 21, 1948	House Committee reported H. R. 5472 with amendments. House Report 1773. Print of the bill as reported.
	Senator Baldwin proposed an amendment to S. 1537. Print of the amendment.
June 1, 1948	S. 1537 was passed over in the Senate.
June 14, 1948	H. R. 6916 was introduced by Rep. Rees and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced.
	H. R. 6917 was introduced by Rep. Rees and was referred to the House Committee on Post Office and Civil Service. Print of the bill as introduced. (Similar bill).
June 15, 1948	House Committee reported H. R. 6916 without amendments. House Report 2358. Print of the bill as reported.
	House Committee reported H. R. 6917 without amendments. House Report 2353. Print of the bill as reported.
June 17, 1948	Senator Taft proposed an amerdment to S. 1537. Print of amendment.
June 18, 1948	H. R. 6916 was debated and passed House as reported.
June 19, 1948	H. R. 6916 was debated ard passed Senate with amendments.

June 19, 1948	House and Senate Conferees appointed.
	Print of H. R. 6916 as passed the Senate with the change of language.
	Conference Report. House Report 2446.
June 21, 1948	Both Houses agreed to the Conference Report.
July 3, 1948	Approved. Public Law 900.
	Statement by the President on signing H. R. 6916.

80TH CONGRESS
1ST SESSION

S. 1537

IN THE SENATE OF THE UNITED STATES

JUNE 30 (legislative day, APRIL 21), 1947

Mr. FLANDERS (for himself and Mr. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Civil Service

A BILL

To increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the rate of basic compensation of the head of each executive department shall be $20,000 per annum; of each undersecretary of executive department, of the Solicitor General of the Department of Justice, and of the Assistant to the Attorney General, $17,500 per annum; and of each assistant secretary of executive department, Assistant Attorney General, and Assistant Postmaster General, $15,000 per annum.

SEC. 2. The rate of basic compensation of the head of

each independent board or commission or other independent establishment or agency, shall be $17,500 per annum, $15,000 per annum or $12,500 per annum, to be determined in each individual case by the President. The rate of basic compensation of each member of an independent board or commission and the assistant heads of other independent establishments and agencies shall be fixed at the next lower rate, specified above, than the rate determined by the President for the head of the board, commission, independent establishment, or agency, except that in any case in which the rate so fixed by the President for the head of the board, commission, or agency is $12,500 per annum, the rate of basic compensation of other members of such board or commission or of an assistant head of such other independent establishment or agency shall be $11,000 per annum.

SEC. 3. In no case shall basic rates of compensation, authorized by statute, for any positions specified in sections 1 and 2 above be decreased as a result of this Act.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

80TH CONGRESS
1ST SESSION

S. 1537

A BILL

To increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

By Mr. FLANDERS and Mr. BALDWIN

JUNE 30 (legislative day, APRIL 21), 1947
Read twice and referred to the Committee on Civil Service

80TH CONGRESS
1ST SESSION

S. 1848

IN THE SENATE OF THE UNITED STATES

DECEMBER 10 (legislative day, DECEMBER 4), 1947

Mr. LANGER (for himself and Mr. CHAVEZ) introduced the following bill; which was read twice and referred to the Committee on Civil Service

A BILL

To increase the rates of compensation of employees of the Government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) except as provided in section 2, the rates of basic compensation of officers and employees of the Government, which were increased by the provisions of sections 2, 3, 4, or 6 of the Federal Employees Pay Act of 1946, are hereby increased at the rate of $1,000 per annum.

(b) The increase in existing rates of basic compensation provided by this section in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall

not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act.

SEC. 2. No officer or employee shall, by reason of the enactment of this Act, be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945 and the Federal Employees Pay Act of 1946 at a rate in excess of $10,000 per annum.

80TH CONGRESS
1ST SESSION

S. 1848

A BILL

To increase the rates of compensation of employees of the Government.

By Mr. LANGER and Mr. CHAVEZ

DECEMBER 10 (legislative day, DECEMBER 4), 1947
Read twice and referred to the Committee on Civil Service

80TH CONGRESS
2D SESSION

H. R. 5472

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 19, 1948

Mr. REES introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as provided in section 4, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees Pay Act of 1946 shall receive additional compensation at the rate of $480 per annum: *Provided,* That any employee paid on an hourly or part-

time basis shall receive additional compensation at the rate of 25 cents per hour.

SEC. 2. Each postmaster, officer, and employee in the postal service whose rate of compensation is prescribed by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as supplemented by the Act entitled "An Act to provide additional compensation for postmasters and employees of the postal service", approved May 21, 1946, shall receive additional compensation at the rate of $480 per annum: *Provided*, That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further*, That each postmaster at a post office of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of his annual compensation under such Act of July 6, 1945, as supplemented by such Act of May 21, 1946.

SEC. 3. (a) The additional compensation provided by this Act shall not be considered a part of the basic compensation of any officer, postmaster, or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

(b) The additional compensation provided by this Act

in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

SEC. 4. No officer or employee shall, by reason of the enactment of the first section of this Act, be paid with respect to any pay period, basic compensation, plus any additional compensation, at a rate in excess of $10,000 per annum.

SEC. 5. (a) This Act shall take effect as of January 1, 1948.

(b) This Act shall not be in effect on and after July 1, 1949.

80TH CONGRESS
2D SESSION

H. R. 5472

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

By Mr. REES

FEBRUARY 19, 1948
Referred to the Committee on Post Office and Civil Service

Calendar No. 1153

80TH CONGRESS, 2d Session | SENATE | REPORT No. 1113

INCREASING THE RATE OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS AND OF OTHER OFFICERS

APRIL 8 (legislative day, MARCH 29), 1948.—Ordered to be printed

Mr. CHAVEZ, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany S. 1537]

The committee, having considered S. 1537, recommends that the bill, as amended, do pass.

GENERAL STATEMENT

The purpose of S. 1537 is to revise the pay rates for all salaried employees in the Federal Government service, to simplify salary scales under the Classification Act of 1923, as amended, reduce the number of grades under such act, provide a justified spacing between the salaries of heads of agencies and staff officers and establish a uniform system of classification administration for both the departmental and the field service under the Classification Act of 1923, as amended. Other purposes would include adjustment of salaries in the judicial and legislative branches and certain salaries in the Customs Service and the Immigration Service and other salaries fixed by statute.

There would be established additional compensation averaging $650 for the great majority of persons in positions affected by the act. Further intention of the legislation is to promote the career possibilities in Government employment, including those in the higher echelons commensurate in some degree with salaries paid in industry for comparable services.

For almost an entire year a subcommittee of the Committee on Post Office and Civil Service has explored extensively the subject of

higher-bracket salaries in Government service. The subcommittee assembled considerable data and statistical information from a large number of sources and gave the full committee the benefit of its initial findings.

The subcommittee's attention had been focused particularly upon the large number of departures from the Government service at a time when postwar readjustments were at their highest and at a time when executives from business and industry were hurrying back to the positions from which they had originally taken leave.

The committee has stricken all language following the enacting clause of S. 1537 and has substituted a complete new amendment in the form of four titles.

TITLE I—AMENDMENTS OF THE CLASSIFICATION ACT OF 1923, AS AMENDED

Title I of the bill proposes to amend the Classification Act of 1923, as amended, in a number of respects.

The Classification Act is the salary statute under which the pay of most white-collar workers of the Government, outside the postal field service and the Foreign Service of the United States, is fixed.

These number about 880,000. They are located in nearly every department and agency, in the District of Columbia, each of the 48 States, Territories, and possessions, and in foreign countries. The work which they do covers a wide variety of occupations and activities—professional, scientific, technical, administrative, supervisory, clerical, maintenance, and protective. All levels of difficulty and responsibility are represented, from that of a messenger boy or girl or routine clerical worker to that of a bureau head or the head of a regional or other office in the field service.

Apart from changes in pay rates (which have been covered in the general statement), the proposed amendments deal mainly with three phases of the Classification Act: (1) The structure of the pay schedules, (2) the principles and methods by which each position is placed in its proper pay range of the schedule, (3) the operating features of the Classification Act pay plan.

Changes in pay-schedule structure (sec. 101)

The present structure of the Classification Act pay schedule is built upon five "services," called professional and scientific; subprofessional; clerical, administrative, and fiscal; crafts, protective, and custodial; and clerical-mechanical. Each of these services is divided into a number of "grades," or zones of difficulty and responsibility of work. Each grade has its own salary range.

Among these five services, the grades do not correspond by number or by salary range. One service has as many as 15 grades and salary ranges; another has as few as 4. All told, there are 45 grades. While in some instances different grades have the same salary range, this is not always the case, so that the 45 grades have 27 distinct pay ranges.

Thus, the existing Classification Act pay schedule consists of 5 services, 45 grades, and 27 salary ranges. These are arranged in five separate pay schedules, one for each service, and each comprising a different set of grades and pay ranges.

The bill would replace these by one schedule consisting of 12 grades and 12 corresponding statutory pay ranges, as shown in subsection 101 (a).

Consolidation of the services

In contrast to existing law, the proposed structure of the Classification Act pay schedule consolidates five separate services into one schedule. In practice, this would mean the elimination of the statutory requirement that positions be classified as professional and scientific; clerical, administrative, and fiscal; subprofessional; and so on. The requirement that positions be classified in classes and grades would, of course, remain. In listing and describing the various classes, as it does now when it publishes class standards, according to specific kinds of work or occupational groups, in ways that experience has indicated are most informative and useful, the Civil Service Commission would not be restricted or handicapped by the necessity of distinguishing among the five services.

This change is in the direction of simplifying the administration of the act and should tend to make its operation easier to understand. At present the law requires that positions must be placed in classes, grades, and services. Unnecessary complications have thus been introduced. In the classification of each position, official decision is required on three points, whereas all of the purposes of pay and personnel administration should be served when formal decision is made on two points only—class and grade.

When the existing services of the Classification Act were first placed in that law in 1923, it was realized, because of the wide variety of Government employments, that some positions would not fall appropriately in any one of them. The law expressly provided, therefore, for authority to place a position in an inappropriate service if that were necessary in order to secure equal pay for equal work. This was legal authority for "forcing" positions into service classifications in which they do not belong. Although there are not very many of such instances, they have served to confuse not only pay fixing but also the other processes of personnel administration.

Furthermore, the existence of "service" distinctions has tended to introduce undesirable connotations of prestige, or the lack of it, into the minds of employees. This is particularly true of the subprofessional service, a term which could easily imply lack of achievement, accomplishment, or training. No Federal employee should feel obliged to identify himself with a service whose title carries implications of a low-prestige occupation. Also, for example, employees in high-grade accounting positions see little logic in classifying their positions in the clerical, administrative, and fiscal service, when outside of Government their occupations are commonly referred to as professions.

Hours of needless and fruitless argument regarding the proper service in which to place particular classes of positions would be avoided by the structural amendments contained in this bill. Any proper purpose which service groupings were originally designed to accomplish can be served better through the editorial arrangement of classes of positions into occupational groups in connection with the publication of standards by the Civil Service Commission. Such standards can be used to identify occupations with less confusion than now exists and without detracting from the recognition due established professions and sciences. Distinctions in the identity of specialized professional, scientific, and technical types of work could

be clearly delineated in such standards without the confusion incident to the existing necessity of making those distinctions on a five-service basis.

Consolidation of overlapping salary ranges

Another important change proposed in the structure of the pay schedules of the Classification Act is that overlapping of salary ranges for consecutive ranks in the same line of work is eliminated. In the subprofessional service, the crafts, protective, and custodial service, and the lower 11 grades of the clerical, administrative, and fiscal service, there is an overlapping of approximately 50 percent in the pay ranges of adjacent grades. For example, the highest four rates of grade CAF–2 are the same as the lowest four rates of CAF–3; the highest four rates of CAF–3 are the same as the lowest four rates of CAF–4, and so on.

The overlapping of pay ranges has made it difficult to relate pay properly to the difficulty and responsibility of work performed. Employees in grade CAF–3 may be paid higher rates than an employee performing more difficult or responsible work in grade CAF–4. A system which leads to this result in many instances is difficult for employees to understand or accept as being sound.

Moreover, when employees are promoted by being assigned to work of greater difficulty or responsibility, they may, because they are already receiving a rate in their present grade which corresponds to a standard rate in a higher grade, be promoted without any immediate change in rate of pay. It would be better if some increase in pay could be made simultaneously with permanent reassignment to more difficult or more responsible work in a higher grade. Incentive to prepare for promotion by effective work in his present position is naturally somewhat diminished when the employee knows in advance that any increase in pay due to the promotion may be delayed for nearly a year, until he becomes eligible for his next within-grade salary advancement. Financial rewards, to be effective, should be granted in timely fashion so as to be clearly associated with the circumstances which warrant them. A nonoverlapping set of pay scales makes it easier to put such principles into effect.

In the schedule shown in subsection 101 (a) of the bill, the elimination of overlapping of salary ranges has been accomplished by merging certain grades, which are closest together from the standpoint of level of difficulty and responsibility. The result is a considerable reduction in the number of grades in which positions are to be placed on the basis of their duties and responsibilities. The significance of this proposed change rests in the fact that the fewer these grades are in number, the broader are the distinctions that need to be drawn. Conversely, the greater the number of grades in the schedule, the finer are the distinctions that have to be drawn.

Under existing law, in deciding which one of the 45 grades fits a given position, or class of positions, and in preparing and publishing standards to govern this process, close decisions and fine discriminations have to be made. While this condition may be a challenge to the ability and ingenuity of those actually engaged in position-classification work, it does make the present classification system difficult for others to understand or apply.

The proposed schedule, therefore, should help toward easier understanding and application of the pay schedules in actual practice.

Except in border-line cases, the distinctions to be drawn, as set forth in standards of the Civil Service Commission, should be broad enough to be plain to employees and officials who are familiar with the work being classified.

Although the simpler structure of the proposed schedule may give rise to some temporary or transitional problems, it will, in the long run, prove advantageous. It conforms to the general plan of classification administration set forth in other amendments in the bill, which provide for and encourage a greater degree of participation by operating officials and subject-matter specialists in the setting of standards and in the day-to-day administration of the Classification Act. Furthermore, it is in accord with the desirable policy of decentralizing to field offices the day-by-day tasks of classifying field positions. Excessive centralization of this task in the Washington offices of the departments and agencies tends toward excessive delays, needless expenditure of funds, and the undesirable divorcement of field operating personnel from the responsibilities of personnel administration.

Correspondence of existing and new grades

Subsection 101 (b) shows the new grade in which each of the existing 45 grades falls.

Grades 1 to 11, inclusive, of the proposed schedule embrace all the grades of existing law. Grade 12, however, of the proposed schedule does not correspond to any grade of the existing schedules and is not available for the purpose of initially adjusting any existing rate upon the enactment of the bill. Furthermore, it is not available for use in either the departmental or field services, except upon prior approval of the Civil Service Commission. This approval is required to cover both the evaluation of the position involved and the qualifications of any appointee to such position. The purpose of providing grade 12 is to furnish a basis, under proper safeguards, for recognizing the value of outstanding professional, scientific, or other technical or specialized work, particularly in fields and at levels where the Government has had difficulty in securing and retaining qualified personnel, because of its obsolete pay scale for positions in the very highest career brackets.

On occasion Congress has dealt with this problem individually and piecemeal. On August 1, 1947, Public Law 313, Eightieth Congress, was approved. This law permitted the fixing of salaries between $10,000 per annum and $15,000 per annum for 45 positions in the National Military Establishment, involving duties and responsibilities relating to research and development functions and other activities requiring the services of specially qualified scientific or professional personnel. Both the salary to be paid and the qualifications of the proposed incumbent are subject to the approval of the Civil Service Commission.

To date, seven positions have been approved under this law, four at $14,000 and 3 at $12,000.

This law was an important step forward, but it was limited to the Departments of the Army, Navy, and Air Force. Naturally, this action has led to requests from other departments and agencies for similar treatment, because their organizations needed similar positions, personnel, and salaries, and because their recruiting and retention problems were no different from those which gave rise to Public

Law 313. The committee believes that in lieu of an agency-by-agency approach, it is better to establish a grade of the Classification Act above the regular grades by provisions which would approximately parallel Public Law 313, but which would cover (*a*) any department or agency subject to the Classification Act, (*b*) positions of specialized or technical nature, not necessarily professional or scientific, and (*c*) positions of the heads of outstanding bureaus.

All of the safeguards which now surround Public Law 313 to prevent the extensive or the careless use of the authority granted in that law have been written into the provisions of the bill for grade 12. No position can be placed in this grade and no officer or employee subject to the Classification Act can be compensated at any of the rates of that grade, except after prior approval by the Commission. In the absence of such approval, specific action by the Congress, referring to the specific position or agency, would be necessary. The Commission's approval is to cover the evaluation of the duties, responsibilities, and qualification requirements of the position and the qualifications of any proposed appointee to such position. In addition the Commission is required to submit to the Congress each year a list of the positions and employees to whom the salary rates of grade 12 have been applied. The only exception to this reporting provision concerns cases in which the head of a department or agency considers that full public report would be detrimental to the national security. In such exceptional cases the head of the department or agency is required to present the information called for in executive sessions of such legislative committees as may be designated. In addition to these safeguards taken from Public Law 313, the bill contains a general definition of the kinds of positions that would properly fall in grade 12. The committee is satisfied that compliance with the high requirements of grade 12 will prevent any abuse of the authority contained in this portion of the bill. Furthermore, since informative reports on the use of grade 12 are to be presented annually to the Congress, any tendency toward improper administration of these provisions can be promptly corrected.

Daily or hourly rates

Subsection 101 (c) stipulates the existing standard method for computing hourly or daily rates from the annual rates specified in the schedule. Expressing the schedule in terms of annual rates is not intended to preclude the use of hourly or daily rates where such use is authorized by, or not inconsistent with, existing or future law, as in the case of employments now classified in the clerical-mechanical service or in the case of part-time or intermittent employments.

References to P–9 and CAF–16

Subsection 101 (d) strikes from the Classification Act language which refers to grade 9 in the professional and scientific service and grade 16 in the clerical, administrative, and fiscal service. In existing law they are referred to as "grades" although they have never had any definite salary range. Under the revised schedule, they need to be expressly eliminated. This amendment is desirable in the interest of clarity, since these two grades have never been available for use administratively. Their mention in the law has resulted in confusion of records and statistics. Further, it may be doubted that Congress intended to bring under the uniform efficiency rating system required

by the Classification Act positions for which it has fixed rates in excess of the ceiling rate under that act. Such action ought to be regarded as excluding such positions from all the provisions of that act. The routine amendment proposed will make that principle clear by eliminating from the Classification Act the language which appears to include such positions within its scope.

Initial salary adjustments (sec. 102)

In order that the transition from the existing schedules to the new schedule may be made without confusion or delay, subsection 102 (a) provides definitely for the transposition of existing pay rates into those of the new schedule. These provisions are expressly designed to make the pay adjustments effective at the beginning of the next regular biweekly pay period following the date of enactment of the bill.

Paragraph (11) of subsection 102 (a) provides the rules for adjusting the salaries of present incumbents of positions now in grade 8 of the professional and scientific service or grade 15 of the clerical, administrative, and fiscal service, which grades will be merged into new grade 11.

The rules provided are parallel to those of the within-grade salary advancement plan under the Classification Act. All persons affected by paragraph (11) will have existing basic compensation of $9,975 or $10,000 per annum. By reason of the $10,000 ceiling of the Classification Act, all of them in recent years have been prevented from receiving the benefits of the within-grade salary advancement plan. The purpose of paragraph (11) is to give them credit for the service rendered for the period during which their within-grade salary advancements have been frozen.

Accordingly, in deciding what new rate they shall receive, the governing factor is their length of service since their most recent "equivalent increase" in pay, i. e., an increase other than any granted by the Federal Employees Pay Act of 1945 or 1946 and more than $25 a year (the step now between $9,975 and $10,000). Each period of 18 months of such service creditable for within-grade salary advancements under the Classification Act entitles the employee to one step in the initial salary adjustment.

For example, assume that the effective date of the law is June 14, 1948. A Classification Act employee whose rate on July 1, 1946, was adjusted from $9,800 to $10,000 under the Federal Employees Pay Act of 1946, and who had received a within-grade salary advancement from $9,537.50 to $9,800 on July 14, 1945, would have completed on June 14, 1948, 35 months of service creditable for within-grade salary advancements. He would thus fall under subparagraph (B) of paragraph (11). Upon the effective date of the act, his existing rate of $10,000 per annum would be raised to $10,650 per annum. This would be an "equivalent increase," but under subsection 102 (c) he would retain a credit of 17 months toward his next within-grade salary advancement.

Subsection 102 (b) safeguards against interference with the intended adjustments, because of within-grade salary advancements of $25 per annum, some of which have taken place in the top grade of the Classification Act. It also provides that adjustments under paragraphs (1) to (10) of subsection (a), dealing with new grades 1 to 10, shall not be

eonsidered to be "equivalent inereases" for the purpose of the within-grade salary advancement plan of the Classifieation Aet. That is, they would not take away the service eredit that an employee had already earned toward his next within-grade salary advaneement.

Subseetion 102 (d) deals with a transitional situation so as to assure that the employees eoneerned are treated equitably when their salaries are initially adjusted.

The proposal that 11 grades replaee the present 45 grades of the Classification Aet involves, as has been pointed out, the eonsolidation of several grades into one. In some instanees, the eombined spread—from the existing minimum rate of the lowest consolidated grade to the existing maximum rate of the highest eonsolidated grade—was greater than the spread of the one new grade could be. In the case of the two highest existing pay rates of eertain grades eonsolidated into new grade 2, 3, 4, or 5, it is neeessary to make speeial provision to assure that employees now reeeiving those rates should reeeive the flat inerease of $550 a year provided in the bill. This has been done by adjusting these rates $550 upward.

At the same time, since these rates would be above the regularly scheduled rates for the grades involved, subseetion 102 (d) provides that they are not to be used as regular rates of pay for other employees, and that sueh rates are authorized to be paid only to those employees whose existing eompensation is initially adjusted to those rates when the bill is enacted. Any sueh employee is also protected by seetion 401 against reduetion of the rate of eompensation he was reeeiving on the date of enaetment of the bill, by reason of the enaetment of the bill, so long as he eontinues to remain in the same position and grade.

Position-classification principles

Seetion 103 sets forth the basis for elassifying positions, i. e., for plaeing them in elasses and grades.

Under existing law, a "elass" of positions eonsists of all individual positions that are suffieiently similar both as to kind (i. e., field of activity or subjeet matter) of work and (2) level of diffieulty, responsibility, and qualification requirements of sueh work, to warrant similar treatment in personnel and pay administration. All elasses that are sufficiently equivalent in level of diffieulty, responsibility, and qualifieation requirements to warrant basie eompensation within one range of rates, as set forth in section 101 (a), belong in the same "grade", although they may differ as to the kind of work involved.

For example, two substantially full-time stenographie positions whieh involve taking dictation and transeribing letters involving a nonteehnieal voeabulary would fall in the same class. Two file clerk positions involving the operation of a fairly eomplex file organized on a subjeet-matter basis would fall in another class. These two different elasses, being of equivalent diffieulty and responsibility and requiring basie qualifieations of the same level (although of different kind), would fall in the same grade.

Eaeh position is to be plaeed in its appropriate class and grade on the basis of the duties and responsibilities of sueh position and the qualifications required by sueh duties and responsibilities. This is a requirement of existing law.

In order to spell out this prineiple and to emphasize the nature of the faets to be taken into eonsideration, 10 prineipal faetors are listed. These faetors, although not exelusive, eneompass the items whieh bear

on the degree of difficulty, the weight of the responsibility, and, in general, the kind and level of work involved in the position to be classified or evaluated. In a way, they constitute an outline for the analysis of the work of a position.

In particular, the last subsection of section 103 makesit entirely clear that supervisory positions are not to be classified and their salaries determined solely on the basis of the size of the organization unit or the number of subordinates supervised. As previously recommended by the Civil Service Commission, this subsection would enact into permanent law the will of Congress in this respect now expressed in the Commission's annual appropriation act.

Section 103 as an expression of operating policy is a valuable amendment to the Classification Act. Although it does not change existing Civil Service Commission practice, it would provide direct reference to an expression of legislative policy. By reason of its authoritativeness, section 103 would be an educative guide to all concerned with classification operations. It would aid in understanding why given positions are classified in the same or in different classes and grades. It would be noticed, also, that in the process of placing positions in classes and grades, supervisory employees are not to be penalized, unintentionally or otherwise, when they prove that they can, by improved supervision and work methods, continue to accomplish the same variety and load of work with fewer employees.

Position-classification methods (sec. 104 and 105).

Sections 104 and 105 provide a uniform method for equalizing and coordinating the placing of positions in classes and grades, so as to assure proper classifications and pay, based on work performed. Equalization and coordination is necessary (*a*) among the various departments and agencies and (*b*) between the departmental and field services.

At present the Civil Service Commission has final authority to place positions in classes and grades in the departmental service. In the field service, however, each department and agency has final authority over its own positions. This system has resulted in a reasonable degree of uniformity in the departmental service but a wide variance among agencies in the field service. Since some 80 percent of the positions subject to the Classification Act of 1923, as amended, are located in the field service, the problem is of major proportions.

By Executive order, the Civil Service Commission prepares and publishes standards for placing positions in classes and grades. Departments and agencies are required by such Executive order to follow such standards, and the Commission may post-audit the agencies' actions in the field service to determine the extent to which the standards have been observed. It does not, however, possess authority to enforce compliance with such standards in the field service.

The bill deals with this situation by authorizing and directing the Civil Service Commission to prepare and publish standards for placing positions in their proper classes and grades. Departments and agencies are directed to place all positions in their departmental and field services in their respective classes and grades in conformity with such standards. Action taken by departments and agencies shall be final unless and until changed by certification of the Commission.

The bill further directs the Commission to post-audit actions taken by the departments and agencies in placing positions in classes and grades and empowers it to require changes when it finds that mistakes have been made. Departments and agencies must still submit to the Commission for final action departmental positions not covered by published standards.

This system leaves the responsibility for initially appraising the value of the duties and responsibilities of positions directly on the shoulders of management and it provides management with standards to follow. It protects the interest of the taxpayer and the employee by directing the Commission to check on the action of management and by empowering it to enforce its findings. It protects the good administrator and hinders the careless administrator by empowering the Commission to suspend the authority of a department or agency to take final action whenever it finds that the actions of any department or agency in placing positions in classes and grades are not in accordance with published standards and that the errors or failure in applying such standards are sufficiently serious to warrant immediate supervision by the Commission of future actions.

One provision of section 105 gives the Civil Service Commission authority to permit an employee to continue at his then existing rate, or at the rate at which he was appointed, when his position, in order to correct an error, is placed in a lower grade.

While sections 104 and 105 relax somewhat the present control over about 20 percent of the positions subject to the Classification Act (departmental positions) it tightens materially the control over some 80 percent (field positions). The result is a uniform system of classification administration and a definite fixing of responsibility. This would replace the present plan of two different systems for the departmental and for the field service, respectively, a condition which is essentially historical rather than logical. In the opinion of the committee the tightening of control over the classification of field service positions is a step long overdue. It should be taken without further delay.

Amendment of within-grade salary advancement plan (sec. 106)

Section 106 is an amendment of the within-grade salary advancement plan of the Classification Act of 1923, as amended. Although routine, it will reduce or prevent certain minor inequities. These inequities are due to the fact that the periods of service necessary for a within-grade salary advancement are expressed in terms of months, whereas pay periods (which used to be semimonthly) are biweekly, as provided in section 604 of the Federal Employees Pay Act of 1945. Existing law provides that periodic within-grade salary advancements shall become effective at the beginning of the next pay period following compliance with all statutory requirements, including the completion of a 12- or 18-month period, as the case may be. Thus, under the provisions of present law, employees are subject to approximately a 13-day lag between the completion of the 12- or 18-month waiting period and the beginning of the next pay period, the effective date of the increase.

The amendment would correct this situation by expressing the waiting periods as 52 weeks instead of 12 months and 78 weeks instead of 18 months.

Additional salary advancements for service and efficiency (sec. 107)

The great majority of employees under the Classification Act occupy positions in the lower brackets. Normally, after 6 years of fully satisfactory service, an employee reaches the maximum rate of his grade. Depending on the nature of his work and the organization structure of his agency, there may be few opportunities for promotion to a higher grade. In such a case, there is little or no incentive provided by the Classification Act for him to remain in his position and continue to render outstanding service.

In order to provide an incentive under such conditions, section 107 would amend the Classification Act so as to provide three step increases, but not more than one during any 3-year period, above the maximum rate of the grade in which the employee's position is placed. The amount of each such salary advancement is to be the same as that of the highest regular step increase within his grade, i. e., under the proposed schedule, $60, $70, $75, $100, $125, $175, $250, or $300.

These step increases are to be rewarded for long, faithful, and outstanding service upon compliance with several conditions: The employee must have had in the aggregate at least 10 years of service in his position or in positions of equivalent or higher class or grade. In addition, he must have completed at least 3 years of continuous service at the maximum rate of his position or at such rate as increased by one of the advancements authorized by the section. This service must be certified by his department or agency as being of outstanding value to the Government.

When the employee has received at least one of these special increases, his service is to be reviewed annually. If this review reflects a failure to render outstanding service, his rate of pay is to be reduced to the rate which he received immediately prior to his last advancement.

Appointments at intermediate rates of grade (secs. 108 and 109)

Section 108 would amend existing law by providing that appointments to positions in new grades 11 and 12 may be made at any rate of the grade provided that the Civil Service Commission gives its prior approval to such action. Grades 11 and 12 would be the highest grades of the Classification Act, if amended as proposed in the bill. Positions in these grades require employees of outstanding qualifications. When it is necessary to recruit such employees in competition with private business, the Government should not be handicapped by the usual rule that the entrance rate of a new appointee shall always be the minimum rate of the applicable pay scale. This is basically a sound rule, but it is in the best interests of the Government to permit the Civil Service Commission to authorize the exceptions, as provided in section 108.

This section would also provide a means for avoiding the awkward situation in which a high official is paid less than one of his subordinates. Under the bill and the existing within-grade salary advancement plan, the salaries of persons already in the service in new grade 11 will be adjusted among the five rates of such grade, $10,350 to $11,550. The position of a good many heads of bureaus or other administrative officials will be compensated in the same salary range. Under existing law any new appointment of one of these bureau heads would have to be made at $10,350. Frequently this rate would at

the time be below the rate paid to a career official in the same bureau who has earned advancement in the grade by virtue of years of satisfactory service to $10,650, $10,950, $11,250, or $11,550.

As a practical matter, the committee believes that in such situations there should be some authorized way of relieving this situation. Section 108 would provide such a method.

Section 109 provides a degree of flexibility with respect to the establishment of entrance rates in a temporary situation where, because of economic conditions, a sufficient number of qualified eligibles for positions of a given class cannot be secured in a given area or locality at the existing minimum rate for such class.

The Civil Service Commission already possesses similar authority under section 401 of the Federal Employees Pay Act of 1945. The exercise of this authority, however, depends on the existence of conditions different from those expressed in section 109. Under this existing provision of law the Commission may establish a minimum rate for a class of positions which is higher than the minimum rate of the grade in which the class is placed (but not higher than the middle rate of the grade) after a comparison of the duties and responsibilities of the class in question with those of other classes in the same grade. If such comparison indicates that such action is warranted in order to evaluate properly all the classes in the grade, the entrance rates for certain classes may be established at, for example, the second or third rate of the grade, but not higher than the middle rate. The Commission may also take similar action in order to avoid gross inequities between entrance rates under the Classification Act and entrance rates for positions not under the Classification Act fixed by wage boards at a particular locality and in a particular organization.

Section 109 would supplement this authority by making it possible to take the same type of action because of temporary economic conditions affecting the supply of eligibles for a particular class of positions in a specified area or location.

Any new minimum rate established under section 109 by regulation of the Commission must be one of the rates established by law for the grade in which such class is placed and may not be higher than the middle rate of such grade. The regulation shall specify the date, not more than 1 year from the date of issuance, when it shall cease to be effective unless extended by another such regulation. This will require the Commission to review at least annually all actions it takes under this authority. The new minimum rate can be extended beyond 1 year only by positive action of the Commission and such action must be taken each year if the rate is to remain in effect.

The authority granted by this section is necessary to permit the Government to meet its personnel needs during periods of local or national emergency if there is an accompanying tight labor market. During the war there was great temptation for responsible officials to place positions in higher grades when they could not recruit at the minimum rate of the proper grade. In many high-wage areas, officials succumbed to this temptation thereby throwing classifications out of line and causing the Government to pay more than was necessary because intermediate grade rates could not be used for recruiting purposes. The authority granted by section 109 would tend to curtail such practices and should actually result in economy.

Regulations (sec. 110)

Section 110 authorizes the Civil Service Commission to issue such regulations as may be necessary for the administration of the foregoing provisions of this title. This supplements, with respect to positions in the field service, the authority that the Commission already possesses under the Classification Act with respect to positions in the departmental service.

Exclusion of crafts, trades, and labor employees engaged in maintenance activities and of vessel employees (sec. 111)

Under existing law, most positions in recognized trades and crafts and manual labor occupations are excluded from the Classification Act of 1923. However, such positions are included if the workers are engaged in such activities as the maintenance of public buildings and mechanical building equipment, rather than in new construction or manufacture. They are also included if they perform work which is "incidental, subordinate, or preparatory" to the work of professional, scientific, or technical employees under the Classification Act. The effect of this is to provide two separate Federal pay policies for the same group of occupations.

It has been the policy of the Government for many years to fix the rates of pay for mechanical trades, crafts, and labor in accordance with prevailing rates for similar employment in the locality. Schedules of wages, determined after a survey of such prevailing rates, are established and adjusted from time to time by wage boards or similar administrative authority. This policy is based on the fact that, because of the similarity of Government positions and industrial positions in these groups, the Government is in more direct competition with private industry with respect to these employments than with respect to other employments.

It would be an improvement, in the opinion of the committee, if the pay policy were the same for all trades, crafts, and labor occupations, regardless of whether the workers are engaged in construction or manufacture or building maintenance. Section 111 not only would exclude the group uniformly from the Classification Act, but would also establish the policy that for mechanical and labor groups taken out of the Classification Act and for mechanical and labor groups for whom no general policy is prescribed by existing law, the rates of basic compensation shall be fixed and adjusted from time to time according to the same procedure and principles as rates are fixed for similar employments at navy yards, ordnance establishments, and similar stations, namely, in accordance with prevailing rates.

The same type of exclusion and policy appears in section 111 with respect to vessel employees of the Government. Their wages are to be fixed and adjusted from time to time as nearly as consistent with the public interest in accordance with wage practices of the maritime industry.

TITLE II—INCREASE IN RATES OF COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES

Title II provides new and higher rates of compensation for 266 heads and assistant heads of executive departments and independent establishments, members of boards and commissions, and other officers of the Government.

The present distribution of these positions, and their existing rates of compensation, are shown in the following list:

Present distribution of positions, by agencies

	Secretaries, $15,000	Under secretaries		Assistant secretaries, $10,000	Total
		$12,000	$10,000		
Departments:					
Agriculture	1		1	1	3
Commerce	1		1	1	3
Interior	1		1	2	4
Justice	1		[1] 2	[2] 6	9
Labor	1		1	3	5
Secretary of Defense	1			3	4
Air Force	1		1	2	4
Army	1		1	3	5
Navy	1		1	2	4
Post Office	1		[3] 1	[4] 3	5
State	1	1	1	6	9
Treasury	1		1	2	4
Total	12	1	12	34	59

	Heads		Assistant heads		Total
	$10,000	$12,000	$10,000	Other	
Independent agencies:					
Architect of the Capitol	1			1 $8,352	2
Library of Congress	1		1		2
Administrative Officer of United States Courts	1			1 9,377	2
Government Printing Office	1		1		2
General Accounting Office		1	1		2
Bureau of the Budget	1		1		2
Philippine Alien Property Administration	1			1 8,180	2
Federal Mediation and Conciliation Service		1	1		2
Federal Security Agency		1	[5] 3		4
Federal Works Agency		1	1		2
Housing and Home Finance Agency	1		1		2
Archives	1			1 8,341	2
Housing Expediter		1	1		2
Office of Selective Service Records	1			1 9,975	2
Veterans' Administration		1	4		5
War Assets Administration		1		1 9,975	2
Total	9	7	15	6	37

	$17,500	$15,000	$12,500	$12,000	$10,000	Other	Total
Members of boards and commissions:							
Atomic Energy Commission	1	4					5
Board of Governors, Federal Reserve System		7					7
Council of Economic Advisers		3					3
Civil Aeronautics Board					5		5
Civil Service Commission					3		3
Federal Communications Commission					7		7
Federal Power Commission					5		5
Federal Trade Commission					5		5
Indian Claims Commission					3		3
Interstate Commerce Commission				11			11
National Labor Relations Board				5			5
National Mediation Board					3		3
Railroad Retirement Board					3		3
Securities and Exchange Commission					5		5

[1] Solicitor General and assistant to the Attorney General.
[2] Assistant Attorneys General.
[3] First Assistant Postmaster General.
[4] Second, Third, and Fourth Assistant Postmasters General.
[5] 1 Assistant Administrator and 2 assistant heads.

Present distribution of positions, by agencies—Continued

	$17,500	$15,000	$12,500	$12,000	$10,000	Other	Total
Tariff Commission					6		6
U. S. Maritime Commission				1	4		5
District of Columbia Government					3		3
Philippine War Damage Commission				3			3
Subtotal	1	14		20	52		87
Members of corporate boards:							
U. S. Commercial Company					2		2
Inland Waterways Corporation					2		2
Intermediate Credit Banks					13		13
Production Credit Corporation					5		5
Tennessee Valley Authority					3		3
Virgin Islands					1		1
Panama Railroad Company		1		1			2
Export-Import Bank		1		3			4
Reconstruction Finance Corporation		1	4				5
Federal Deposit Insurance Corporation		2					2
Subtotal		5	4	4	26		39
Business managers		1			10	6—$9,975	17

	$10,000	$9,975	Total
Governors, Territories and possessions:			
Alaska	1		1
Hawaii	1		1
Panama Canal	1		1
Puerto Rico	1		1
Virgin Islands		1	1
Total	4	1	5

	Total
Court of Claims Commissioners, at $9,377	11
White House:	
The assistant to the President, at $15,000	1
Special counsel to the President, at $12,000	1
Secretaries to the President, at $10,000	3
Administrative assistants to the President, at $10,000	6
Total	11

SUMMARY

Departments	59
Independent agencies	37
Members of boards and commissions	87
Members of corporate boards	39
Business managers	17
Governors, Territories and possessions	5
Court of Claims	11
White House	11
Total	266

EFFECT OF TITLE II

Section 202 of the bill would (1) increase from $15,000 to $20,350 the rate of compensation of heads of executive departments, now 12 in number; (2) increase from $10,000 to $18,350 (in one case from $12,000 to $18,350) the rate of compensation of Under Secretaries, the Solicitor General, the assistant to the Attorney General, and the First Assistant Postmaster General; and (3) increase from $10,000 to $15,350 the rate of compensation of Assistant Secretaries, the Assistant Attorneys General, and the Second, Third, and Fourth Assistant Postmasters General.

Subsection 203 (a) would (1) increase from $12,000 to $18,350 the salary of the Comptroller General, the Administrator of Veterans' Affairs, the Federal Security Administrator, and the Federal Works Administrator; (2) increase from $10,000 to $18,350 the salary of the Director of the Bureau of the Budget; (3) increase from $17,500 to $18,350 the salary of the Chairman of the Atomic Energy Commission; and (4) establish in these agencies a rate of $16,850 for a single deputy or assistant head in whom the responsibility immediately below the head for the direction and administration of the functions of the agency is concentrated, or a rate of $15,350 in case such responsibility is concentrated in more than one but not more than three assistant head positions.

Subsection 203 (b) establishes a salary rate of $16,850 for (1) members of independent boards and commissions, including the boards of directors of wholly owned Government corporations and the Federal Deposit Insurance Corporation; (2) the heads of independent agencies in the executive branch, other than those covered by section 203 (a); (3) governors of Territories or possessions; (4) the Commissioners of the municipal government of the District of Columbia; (5) the Director of the Administrative Office of United States Courts; (6) the Librarian of Congress; and (7) the Public Printer. The present salary rate for the majority of such positions is $10,000; a substantial number, however, receive $12,000 and $15,000. Also, subsection 203 (b) establishes a rate of $15,350 for a single position in which the responsibility immediately below that of the head of the agency or board or commission for the direction and administration of the functions of the agency, board, or commission is concentrated.

Subsection 203 (c) fixes a range of pay—$15,350, $16,850, and $18,350—for the salaries of the heads of the component parts of the Executive Office of the President (other than the Bureau of the Budget), and of such secretaries, administrative or executive assistants, and other immediate staff assistants to the President in the White House Office as the President may designate. The salary in a given case is to be determined by the President. The existing rates of such positions are $10,000, $12,000, and $15,000.

Subsection 203 (d) increases from $10,000 to $15,350 the rate of compensation of the Architect of the Capitol and from $9,377 to $11,550 that of Commissioners of the Court of Claims.

OBSOLESCENCE OF SALARY RATES OF HEADS AND ASSISTANT HEADS OF DEPARTMENTS AND AGENCIES

Title II of the bill represents the first attempt to deal with pay levels for heads and assistant heads of departments and agencies on a comprehensive basis.

The positions concerned have been, as a group, ignored in recent legislative enactments that have increased the salaries of other groups, at equivalent and lower levels.

The salary rates of heads of the executive departments were established at $10,000 in 1873, at $12,000 in 1907, and at $15,000 in 1925. They have not been raised since that time.

The present salaries of some of the members of independent boards and commissions likewise were fixed more than 10 years ago. For example, $10,000 was authorized for Federal Trade Commissioners in 1914, for Federal Power Commissioners in 1930, for Federal Communications Commissioners in 1934, for members of the National Mediation Board in 1934, for Securities and Exchange Commissioners in 1934, and for members of the Railroad Retirement Board in 1935.

The reduction of salaries required during the economy period of 1932–33 was, in the case of the Interstate Commerce Commissioners, maintained for 10 years. Their authorized rate of $12,000 was established in 1920, reduced to $10,000 in 1933, and not restored to $12,000 until 1943.

In another such instance, the economy reduction is still in effect. A salary rate of $11,000 was established for Tariff Commissioners in 1930, and was reduced to $10,000 in 1932. This reduction is still being continued.

In the case of the members of two other independent agencies, salaries authorized by basic law are not being paid because of other statutory provisions. A 1936 law fixed $12,000 as the salary rate for each of the five Maritime Commissioners, but this rate was reduced to $10,000 in 1942 for all such Commissioners except the Chairman.

Members of the Civil Aeronautics Board, according to an act of Congress passed in 1938, were to be compensated at $12,000 a year, but this rate has been reduced to $10,000 by another statutory provision enacted in 1942.

It is time that all such rates be reviewed and appropriate action taken in the light of the proper relationships that should exist between (*a*) the salaries and responsibilities of heads of departments and agencies and (*b*) the salaries and responsibilities of other positions in equivalent and lower brackets in the executive and other branches of the Government, whose rates have recently been substantially raised.

Notwithstanding failure to act upon collectively any revision of the existing rates for heads and assistant heads of departments and agencies, Congress has, for a number of other positions and groups, increased the salary rates above the previous traditional levels for top administrative, executive, scientific, and professional positions. Such action has made obvious the obsolescence of the rates proposed to be increased by title II of the bill.

A few examples of significant action are as follows:

Public Law 293, Seventy-ninth Congress, January 3, 1946, established a Department of Medicine and Surgery in the Veterans' Administration. This act fixed a salary of $12,000 a year for the Chief Medical Director; $11,500 a year for the Deputy Medical Director; and $11,000 a year for not to exceed eight Assistant Medical Directors. The statute also authorized a ceiling of $11,000 for medical or surgical specialists. At the same time, the existing salary of $12,000 for the responsibility of administering all of the programs and activities of

the Veterans' Administration, vested in the position of Veterans' Administrator, remained unchanged.

Publie Law 567, Seventy-ninth Congress, July 31, 1946, increased the salaries of the Federal judieiary. For example, it raised the salaries of distriet judges from $10,000 to $15,000; judges of the cireuit courts of appeal from $12,500 to $17,500; and Associate Justices of the Supreme Court of the United States from $20,000 to $25,000. At the same time, no change was made in the salaries of $15,000 for the Attorney General, and $10,000 for the Solicitor General of the United States, the assistant to the Attorney General, and the Assistant Attorneys General.

Public Law 134, July 3, 1945, and Public Law 386, Seventy-ninth Congress, May 21, 1946, raised rates of pay for postmasters, so that the highest three rates for postmasters at first-class offices are $10,400, $11,400, and $12,400. At the same time, no change was made in the Postmaster General's salary of $15,000, or in the $10,000 rates of the First, Second, Third, or Fourth Assistant Postmasters General. The inconsistency of this situation was strikingly illustrated when the postmaster at Washington, D. C., was "promoted" to First Assistant Postmaster General at a cut in salary amounting to $1,400 a year.

Publie Law 601, Seventy-ninth Congress, August 2, 1946, the Legislative Reorganization Aet of 1946, inereased the pay of Members of Congress from $10,000 to $12,500 and provided a $2,500 tax-free expense allowance.

Publie Law 724, Seventy-ninth Congress, August 13, 1946, the Foreign Serviee Act of 1946, raised the maximum salary for Ambassadors from $17,500 to $25,000; for Foreign Serviee offieers from $10,000 to $13,500; and for Foreign Service staff officers and employees from $7,102.20 to $10,000. At the same time, no change was made in the $15,000 salary of the Seeretary of State, the $12,000 and $10,000 salaries of the two Under Secretaries, or the $10,000 salaries of the Assistant Sceretaries of State.

In other words, at the same time that higher salary levels were being established by individual statutory provisions in these and other instances, one position or group at a time, no action was taken to revise the salary rates of other top positions in the same agencies of equal, and frequently greater, responsibility, even in the same agency.

Again, when the salary ceiling for positions subjeet to the Federal Employees Pay Aet of 1945 became $10,000, effeetive July 1, 1945, and when this eeiling was continued by the Federal Employees Pay Aet of 1946, effective July 1, 1946, no general change was made in the traditional salary level of $10,000 fixed for heads of the majority of independent agencies, boards, and commissions individually by organie statute or appropriation aet. The natural result is that in a good many ageneies the heads, commissioners, or board members receive no more than several of their top subordinate officials.

Between the regular $11,550 eeiling, or the special $13,850 ceiling, proposed in title I, and the lowest rate authorized in title II, for heads or assistant heads of agencies, $15,350, there is a substantial differential. Thus, the schedules in title I and title II will cure this undesirable eondition mentioned and will prevent it from recurring.

In ageneies that have wage-board oeeupations paid at prevailing rates, parallel illustrations of undue rate compressions may be cited. For example, the present rate of the Public Printer is $10,000 per

annum. This rate was fixed by Congress in 1928 and has not since been changed. By virtue of a general wage revision, effective December 19, 1947, under the negotiating provisions of the Kiess Act, the basic hourly rate for journeymen in the composing division of the Government Printing Office is $2.12. This is equivalent to an annual straight-time rate (2,080 hours) of $4,409.60. Thus the Public Printer receives pay at a basic rate but 2¼ times that of a journeyman printer.

THE NEED FOR ACTION ON TOP SALARY BRACKETS

The committee believes that there is ample justification and a present need for raising, by a substantial amount, the rates of compensation for top bracket positions—both the groups covered in the highest grades of the Classification Act, proposed to be amended in title I, and the heads and assistant heads of departments and agencies, covered in title II.

Like any other large and complex organization, the United States Government should pay constant attention to the necessity of establishing and maintaining financial and nonfinancial incentives to induce competent personnel to enter and continue to serve effectively in major administrative, executive, professional, scientific, technical, and other specialized positions. The problem is not new. However, the need for a more adequate and realistic salary plan for the groups of positions mentioned has increased significantly in the last few years.

This has been due to (1) growth in the scope and complexity of the policies and activities of the Federal Government, requiring for their execution and administration top officials of the broadest capacity and insight; (2) obsolescence of the Government's top salary scales measured by modern competitive or any other reasonable standards of compensation; (3) the increasing number of valuable officials who resign from the Federal service to accept positions in private industry or elsewhere or to go into private professional practice; (4) the passage of general or specific pay-increase legislation which not only has omitted top-bracket salaries from consideration but has all too clearly and violently squeezed them relatively downward in comparison with increased rates for the next lower brackets in the same and other agencies.

Good management pays dividends. But good management requires competent men to serve as the heads, assistant heads, and bureau chiefs of the Government departments and agencies. One of the major considerations affecting the quality of persons who can be recruited for and retained in such positions is the salary paid for the job of work to be done. Private industries have always recognized this fact and have paid what in many cases seem to be extraordinary salaries to their top executives.

The kinds and degrees of basic abilities required in top management and technical positions are about the same in Government as in private industry. Generally speaking, the available market is the same.

As a practical matter, in peacetime the Government cannot rely, as heavily as it did during the war, upon patriotic motives to offset inadequacies of executive and scientific salaries. Persons qualified for positions at the top levels of the Classification Act or for heads or assistant heads of departments and agencies, are, like other persons, naturally attentive to compensation levels available to them in

other activities. Of course, the Federal Government cannot and should not attempt to compete with large private employers on a purely monetary basis for personnel to fill its top posts. But it can and should lessen the wide difference that now exists, in order that the Government may secure and retain in its top brackets of responsibility, without undue personal sacrifice on their part, and without unintentionally limiting such brackets to persons of independent means, administrators and professional and scientific men of the high quality to which the people of the Nation are entitled.

The United States Government is the largest business in the world. Practically all of the departments and agencies have programs which require them to be as large in size and their operations as widespread and complex in character as those of our largest private industries. To manage these programs efficiently requires the best management people the Government can secure. But to get them and keep them after they have become trained and experienced in the public service—when they are most valuable to the public—the Government must pay salaries more in keeping with the responsibilities involved.

To a large number of persons qualified for top posts, the nonsalary attractions of any employment are real and substantial. The Federal service provides prestige, opportunities for service to the Nation, challenges to initiative and resourcefulness, and facilities for growth, development, and professional recognition of the individual. Its employment policies with respect to vacation and sick leave and retirement benefits are in themselves strong incentives. Moreover, devotion to the public service and appreciation of opportunity to serve the common welfare should be characteristic of all top officials.

Nevertheless, when a top executive or scientist is faced with the question of changing his means of earning a livelihood by entering or leaving the Federal service, too great a disparity in immediately available salary rates is apt to outweigh the long-term or other attractions of the Federal service. There is a point at which reasonable financial inducements are required in order that the other incentives of Federal employment may have their intended effect.

At present the gap between top pay generally available in the Government and that common in private industry is so great in the top brackets of responsibility that the Federal service virtually demands a financial sacrifice that outweighs the other satisfactions of the public service. Every resignation of a competent official or professional or scientific specialist who feels he can no longer, in duty to himself and his family, afford to remain in the service represents a definite loss to the Government in training and experience—a loss far greater than that of a reasonable salary level that would have persuaded him to continue to serve the public.

Mr. Dean G. Acheson's resignation as Under Secretary of State was discussed in the House of Representatives on May 13, 1947. In the course of remarks by Mr. Hays, he said that—

> He resigned, as have so many other able men, because he could not afford to remain in the State Department, however challenging and interesting the job may be, at such a tremendous financial sacrifice.

It is interesting to note that after he left the service, Mr. Acheson, in response to an invitation from the committee to comment on S. 1537, replied on July 8, 1947, in part as follows:

Under present conditions there is little question concerning the need for increased salaries for top officials if the Government is to retain and attract individuals of the caliber needed in the public service today. Competent officials continue to leave Government service because they cannot afford to stay, and it is increasingly difficult to interest outstanding persons in these important positions. Certainly it is contrary to the basic principles of our democracy to create a situation where only persons of independent means can afford to undertake the responsibilities of Government administration.

The late Harold D. Smith, formerly Director of the Bureau of the Budget at $10,000 a year, resigned to accept appointment as vice president of the International Bank at $22,500 a year. In his letter of resignation to the President, he wrote:

Had this opportunity not arisen, it would only have been a short time until existing limitations on the salaries of public officials would have forced me out of the Federal Government.

Hardly a week now passes without reports of the resignation of some key official or of the difficulties encountered in securing acceptances of qualified persons to offers of appointment to key posts.

A general upward adjustment of top-bracket rates of compensation, including those of heads and assistant heads of departments and agencies, is long overdue.

The manner in which this adjustment should be made is important. The problem of appropriate top-bracket salary rates is not confined to any one department or agency or group of agencies. It is service-wide. It affects top policy-making positions the tenure of which does not usually extend beyond that of the political administration in office. It affects top career positions which comprise the essential, continuous core of management, professional, scientific, technical, and other activities, regardless of changes of political administration. It can be solved effectively only by a policy of general application to the Government as a whole. Individual, piecemeal efforts rectify a specific situation, but create attendant problems by ignoring other equally pressing and deserving cases in the same and other departments and agencies.

In addition to revising upward the general level of top salaries, there is, therefore, a duty upon Congress to deal with the problem by a bill of wide coverage, such as the one recommended by the committee, rather than by several hundred uncoordinated provisions in separate statutes.

The committee believes that the Congress should take definite steps to enact legislation of general coverage whenever feasible and thus lessen the necessity of piecemeal salary legislation. Every advantage secured by one agency or official naturally leads to requests from similarly situated agencies or officials to put them on a parity. The problem, of course, is not localized, but it is never seen in its major aspects when the method of legislating salaries is always to deal with one agency or one official at a time. It seems to the committee that it is much better to proceed in the direction of covering the salaries of major officials in a comprehensive, integrated plan.

In this respect, the bill presented by the committee has the decided advantage of dealing at one time with the salary problem as it affects several large and important groups at the top of the Government's organization structure.

TITLE III—LEGISLATIVE, JUDICIAL AND CERTAIN OTHER EMPLOYEES

Section 301 amends the Federal Employees Pay Act of 1945, as amended, for employees in the office of a Senator, Representative, Delegate, Resident Commissioner, or committee of the Senate or House and the elected officers of the Senate and House of Representatives. exclusive of the Presiding Officers of the two Houses.

"a" amends section 501 of the 1945 Pay Act to add to the gross salary 32.5 percent if the rate of compensation is less than $2,000 a year and $650 per annum if the compensation is $2,000 or more per year.

"b" adds $650 to the compensation of the five elected officers of the Senate and the five elected officers of the House. This section qualifies the increases in that it provides that no employee of a Senator, Representative, Delegate, Resident Commissioner, or staff member of a committee of the Senate and House shall receive these increases unless the Senator, Representative, Delegate, Resident Commissioner, or chairman of the committee so authorize in writing in the form of a request to the appropriate disbursing officer and further that no employee in the office of a Senator, Representative, Delegate, Resident Commissioner, or committee may receive compensation exceeding $10,000 unless the Senator, Representative, Delegate, Resident Commissioner, or the chairman of such committee so certifies in writing to the appropriate disbursing officer. This section further raises the existing ceiling of $5,040 basic per annum for clerks in the office of a Senator and $5,000 basic per annum for clerks in the office of a Representative, Delegate, or Resident Commissioner to $5,700 per annum basic. Raising the maximum and the basic per annum compensation of the clerical employees to $5,700 would permit an increase of $1,519.03 above the gross now paid for such clerks. This section would permit raising the salaries of those employees who find it unprofitable to remain at the existing gross salary of $7,075.06.

Section 302 amends section 521 of the Federal Employees Pay Act of 1945, as amended, by providing for increases in the salaries of employees in the judicial branch of 32.5 percent for those making less than $2,000 a year and $650 for those earning in excess of $2,000 per annum.

Section 303 would raise the pay of customs clerks, immigrant inspectors, and other employees in the executive branch whose rates of pay are fixed or limited by statutes other than the Classification Act. It would provide for an increase of 32.5 percent per annum for those earning less than $2,000 and $650 to those earning $2,000 or more. Among others this section would raise the pay of certain employees of the Customs Service and Immigration Service, the Foreign Service, the medical and dental officers of the Veterans' Administration, and the superintendent and medical officers at Gallinger Hospital and collectors of internal revenue in the States.

Section 304 would establish a minimum annual compensation of $2,350 for each employee 18 years old or over who devotes full time in a full-time job.

Section 305 amends the Federal Employees Pay Act of 1945 and 1946 to raise the per annum ceiling on compensation from $10,000 to $11,550. This section sets a new ceiling for employees and would

permit adjustment in the pay of the administrative assistants and staff of the committees who at present are bound by the $10,000 ceiling. The increments of overtime cost-of-living adjustments graded in 1945 and 1946 Pay Acts have not been realized in full by these employees. Had there been no $10,000 ceiling, the employee with an original $8,000 basic salary per annum would today be receiving $10,992.50 per annum. With the ceiling removed, he could receive this amount, to which would be added the $650 increase proposed in section 303 to raise such employee to $11,550.

Section 306 amends statutes to provide that those employees compensated on a per diem rate for temporary or intermittent services and who are now bound by the $10,000 per annum ceiling would receive per diem increases in the form of an adjustment in the per diem rate, not to exceed $11,550 per year. This section specifically provides that the per diem pay for any expert or consultant permanent employee by contract in accordance with Public Law 600 of the Seventy-ninth Congress shall not be paid a daily rate which over a year shall exceed $11,550 on a per annum basis.

TITLE IV—GENERAL PROVISIONS

Rates of present incumbents not to be reduced

Section 401 is a general saving provision, the purpose of which is to safeguard against reduction of the rate of pay being received by a present incumbent on the date of enactment of the bill, by reason of the operation of the provisions of the bill, except those of sections 103, 104, 105, and 111, so long as he remains in the same position.

Under sections 103, 104, and 105 of the bill, the Civil Service Commission is authorized to make post-audit reviews of departmental and field-service positions which are subject to the Classification Act of 1923, as amended, and which are required to be placed in classes and grades in accordance with standards issued by the Commission. The Commission is also authorized to make the final classifications of departmental service positions for which at the time no standards have yet been issued.

In case the employees concerned still occupy the positions occupied by them on the date of the enactment of the bill, and the Commission finds that the position should be placed in a lower grade, the general saving clause in section 105, which covers both present and future incumbents, rather than section 401, is applicable.

Under section 111 numerous positions now subject to the Classification Act will be removed from the coverage of the act. These include positions in recognized trades or crafts, or other skilled mechanical crafts, and in skilled, semiskilled, and unskilled manual-labor occupations which are under the direction or control of the custodian of a public building or which are related to work of a professional, scientific, or technical character. The pay of these employees is to be fixed henceforth in accordance with prevailing rates. No rates of pay or increases in pay are provided for such employees in the bill. Whether these employees will receive increases or decreases in pay will be determined by the rate of pay, determined under wage-board procedure, to which they are assigned by the employing establishment.

Estimated positions and cost

[Source: Supplied by Bureau of the Budget]

Under title I:	
Executive branch, continental	790,000
Territories, possessions, foreign	46,000
District of Columbia	7,598
Legislative [1]	2,418
Judicial [2]	139
Total at (cost of 550 million dollars)	846,155
Under title II (at cost of 1.4 million dollars)	266
Under title III:	
Statutory:	
Legislative	121
Judicial	716
Executive branch	400
Veterans	16,000
Foreign Service	6,000
Immigration and Naturalization Service inspectors	1,500
Customs clerks	500
Other:	
Senate	1,595
House	2,169
Judicial	2,395
Total (at cost of 20.3 million dollars)	31,396
Excluded from titles I, II, and III:	
Post office	465,000
Wage board	612,000
White House Police	100
Commissioned officers, Coast and Geodetic Survey	150
U. S. Maritime Commission, students and teachers' training program	3,400
Prevailing rates, Government Printing Office	2,000
Geological Survey	2,500
Veterans	2,500
Panama Canal	900
Panama Railroad Company	100
Foreign Service (aliens)	6,000
TVA white collar	5,500
RFC	6,050

[1] Library of Congress, Botanic Garden, Architect of Capitol.
[2] Administration office of United States Courts.

EXHIBIT A

Increases in individual rates, title I

[NOTE.—Based on a revised compensation schedule of the Classification Act of 1923 having the effect of increasing salary rates $88 on the average. To each of these revised rates (except those for grade 1—messenger boys and messenger girls) a flat sum of $550 has been added. (The grade distribution applies to 824,019 employees in the continental United States, Federal executive branch, as of July 31, 1947)]

Number of employees as of July 31, 1947	Existing rate	Adjustment to revised schedule		Flat increase	Aggregate	
		Rate	Increase		Rate	Amount
Grade 1:						
131	$1,080.00	$1,200.00	$120.00	$490	$1,690.00	$610.00
23	1,170.00	1,260.00	90.00	495	1,755.00	585.00
27	1,258.00	1,320.00	62.00	500	1,820.00	562.00
10	1,330.00	1,380.00	50.00	505	1,885.00	555.00
21	1,402.00	1,440.00	38.00	510	1,950.00	548.00
Total, 212.						
Grade 2:						
12,609	1,690.00	1,800.00	110.00	550	2,350.00	660.00
4,820	1,756.00	1,800.00	44.00	550	2,350.00	594.00
22,435	1,822.00	1,860.00	38.00	550	2,410.00	588.00
158	1,872.00	1,920.00	48.00	550	2,470.00	598.00
8,252	1,888.00	1,920.00	32.00	550	2,470.00	582.00
5,527	1,954.00	1,980.00	26.00	550	2,530.00	576.00
1,553	2,017.60	2,040.00	22.40	550	2,590.00	572.40
6,360	2,020.00	2,040.00	20.00	550	2,590.00	570.00
2,139	2,093.04	2,100.00	6.96	550	2,650.00	556.96
		2,160.00		550	2,710.00	550.00
2,444	2,168.28	2,168.28		550	2,718.28	550.00
163	2,243.52	2,243.52		550	2,793.52	550.00
Total, 66,460.						
Grade 3:						
58,272	1,954.00	2,160.00	206.00	550	2,710.00	756.00
24,196	2,020.00	2,160.00	140.00	550	2,710.00	690.00
16,965	2,093.04	2,160.00	66.96	550	2,710.00	616.96
12	2,163.20	2,230.00	66.80	550	2,780.00	616.80
72,333	2,168.28	2,230.00	61.72	550	2,780.00	611.72
43,578	2,243.52	2,300.00	56.48	550	2,850.00	606.48
32,965	2,318.76	2,370.00	51.24	550	2,920.00	601.24
1,904	2,329.60	2,370.00	40.40	550	2,920.00	590.40
23,379	2,394.00	2,440.00	46.00	550	2,990.00	596.00
12,886	2,469.24	2,510.00	40.76	550	3,060.00	590.76
7,065	2,544.48	2,580.00	35.52	550	3,130.00	585.52
8,002	2,619.72	2,619.72		550	3,169.72	550.00
1,235	2,694.96	2,694.96		550	3,244.96	550.00
Total, 302,792.						
Grade 4:						
33,561	2,394.00	2,600.00	206.00	550	3,150.00	756.00
27,080	2,469.24	2,600.00	130.76	550	3,150.00	680.76
10	2,496.00	2,600.00	104.00	550	3,150.00	654.00
21,521	2,544.48	2,600.00	55.52	550	3,150.00	605.52
13,602	2,619.72	2,700.00	80.28	550	3,250.00	630.28
162	2,641.60	2,700.00	58.40	550	3,250.00	608.40
25,200	2,644.80	2,700.00	55.20	550	3,250.00	605.20
10,471	2,694.96	2,700.00	5.04	550	3,250.00	555.04
20,523	2,770.20	2,800.00	29.80	550	3,350.00	579.80
10,081	2,845.44	2,900.00	54.56	550	3,450.00	604.56
11,342	2,895.60	3,000.00	104.40	550	3,550.00	654.40
3,343	2,920.68	3,000.00	79.32	550	3,550.00	629.32
9,758	3,021.00	3,100.00	79.00	550	3,650.00	629.00
3,546	3,146.40	3,200.00	53.60	550	3,750.00	603.60
2,710	3,271.80	3,271.80		550	3,821.80	550.00
4,845	3,397.20	3,397.20		550	3,947.20	550.00
Total, 197,755.						
Grade 5:						
2	2,808.00	3,200.00	392.00	550	3,750.00	942.00
755	2,895.60	3,200.00	304.40	550	3,750.00	854.40
9,021	3,021.00	3,200.00	179.00	550	3,750.00	729.00
35	3,099.20	3,200.00	100.80	550	3,750.00	650.80
6,664	3,146.40	3,200.00	53.60	550	3,750.00	603.60
6,098	3,271.80	3,325.00	53.20	550	3,875.00	603.20
29,456	3,397.20	3,450.00	52.80	550	4,000.00	602.80
18,345	3,522.60	3,575.00	52.40	550	4,125.00	602.40
13,125	3,648.00	3,700.00	52.00	550	4,250.00	602.00
11,673	3,773.40	3,825.00	51.60	550	4,375.00	601.60
3,654	3,898.80	3,950.00	51.20	550	4,500.00	601.20
2,471	4,024.20	4,024.20		550	4,574.20	550.00
5,503	4,149.60	4,149.60		550	4,699.60	550.00
Total, 106,802.						

EXHIBIT A—Continued

Increases in individual rates, title I—Continued

Number of employees as of July 31, 1947	Existing rate	Adjustment to revised schedule		Flat increase	Aggregate	
		Rate	Increase		Rate	Amount
Grade 6:						
299	$3,648.00	$3,950.00	$302.00	$550	$4,500.00	$852.00
3,591	3,773.40	3,950.00	176.60	550	4,500.00	726.60
3,347	3,898.80	3,950.00	51.20	550	4,500.00	601.20
2,164	4,024.20	4,125.00	100.80	550	4,675.00	650.80
24,326	4,149.60	4,300.00	150.40	550	4,850.00	700.40
15,262	4,275.00	4,300.00	25.00	550	4,850.00	575.00
9,583	4,400.40	4,475.00	74.60	550	5,025.00	624.60
7,253	4,525.80	4,650.00	124.20	550	5,200.00	674.20
2,460	4,651.20	4,825.00	173.80	550	5,375.00	723.80
1,574	4,776.60	4,825.00	48.40	550	5,375.00	598.40
3,056	4,902.60	5,000.00	98.00	550	5,550.00	648.00
Total, 72,915.						
Grade 7:						
2,677	4,525.80	5,000.00	474.20	550	5,550.00	1,024.20
1,252	4,651.20	5,000.00	348.80	550	5,550.00	898.80
1,016	4,776.60	5,000.00	223.40	550	5,550.00	773.40
16,232	4,902.00	5,000.00	98.00	550	5,550.00	648.00
309	5,027.40	5,175.00	147.60	550	5,725.00	697.60
7,693	5,152.80	5,350.00	197.20	550	5,900.00	747.20
436	5,278.20	5,350.00	71.80	550	5,900.00	621.80
5,580	5,403.60	5,525.00	121.40	550	6,075.00	671.40
1,491	5,654.40	5,700.00	45.60	550	6,250.00	595.60
		5,875.00		550	6,425.00	550.00
2,320	5,905.20	6,050.00	144.80	550	6,600.00	694.80
Total, 39,006.						
Grade 8:						
12,549	5,905.20	6,050.00	144.80	550	6,600.00	694.80
4,774	6,144.60	6,300.00	155.40	550	6,850.00	705.40
4,207	6,384.00	6,550.00	166.00	550	7,100.00	716.00
1,335	6,623.40	6,800.00	176.60	550	7,350.00	726.60
2,064	6,862.80	7,050.00	187.20	550	7,600.00	737.20
Total, 24,929.						
Grade 9:						
5,586	7,102.20	7,200.00	97.80	550	7,750.00	647.80
2,030	7,341.60	7,450.00	108.40	550	8,000.00	658.40
1,951	7,581.00	7,700.00	119.00	550	8,250.00	669.00
519	7,820.40	7,950.00	129.60	550	8,500.00	679.60
916	8,059.80	8,200.00	140.20	550	8,750.00	690.20
Total, 11,002.						
Grade 10:						
2,244	8,179.50	8,300.00	120.50	550	8,850.00	670.50
910	8,478.75	8,600.00	121.25	550	9,150.00	671.25
639	8,778.00	8,900.00	122.00	550	9,450.00	672.00
216	9,077.25	9,200.00	122.75	550	9,750.00	772.75
363	9,376.50	9,500.00	123.50	550	10,050.00	673.50
Total, 4,372.						
Grade 11:						
869	9,975.00	(Increases in grade 11 would vary from $350 to $1,550 under the provisions of sec. 202 (a) (11) of the bill.)				
741	10,000.00					
Total, 1,610.						
Grand total, 827,855.						

EXHIBIT B

Estimate of cost in connection with S. 1537, title II, heads and assistant heads of executive departments and other officers

Title	Number	Present		Proposed		Increased cost
		Rate	Cost	Rate	Cost	
Heads of executive departments	12	$15,000	$180,000	$20,000	$240,000	$60,000
Under Secretaries (including the Solicitor General, the assistants to the Attorney General, and the First Assistant Postmaster General)	12	10,000	120,000			
	1	12,000	12,000			
	13			18,000	234,000	102,000
Assistant Secretaries (including each Assistant Attorney General, the Second, Third, and Fourth Postmasters General, and each of the 3 special assistants to the Secretary of Defense)	34	10,000	340,000	15,000	510,000	170,000
Heads of independent agencies	16					
Members of boards and commissions	87					
Members of corporate boards	39					
Assistant heads of agencies	21					
Business managers	17					
Governors—Territories and possessions	5					
Court of Claims Commissioners	11					
White House assistants	11					
	207					
	1	8,180	8,180			
	1	8,341	8,341			
	1	8,352	8,352			
	12	9,377	112,524			
	9	9,975	89,775			
	125	10,000	1,250,000			
	32	12,000	384,000			
	4	12,500	50,000			
	21	15,000	315,000			
	1	17,500	17,500			
	11			11,200	123,200	
	37			15,000	555,000	
	150			16,500	2,475,000	
	1			17,500	18,350	
	8			18,000	144,000	
Subtotal			2,243,672		3,315,550	1,071,878
Total	266		2,895,672		4,299,550	1,403,878

Calendar No. 1153

80TH CONGRESS
2D SESSION

S. 1537

[Report No. 1113]

IN THE SENATE OF THE UNITED STATES

JUNE 30 (legislative day, APRIL 21), 1947

Mr. FLANDERS (for himself and Mr. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Civil Service

[Strike out all after the enacting clause and insert the part printed in italic]

APRIL 8 (legislative day, MARCH 29), 1948

Reported by Mr. CHAVEZ, with amendments

A BILL

To increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That the rate of basic compensation of the head of each executive department shall be $20,000 per annum; of each undersecretary of executive department, of the Solicitor General of the Department of Justice, and of the Assistant to the Attorney General, $17,500 per annum; and of each assistant secretary of executive department, Assistant Attorney General, and Assistant Postmaster General, $15,000 per annum.~~

~~SEC. 2. The rate of basic compensation of the head of each independent board or commission or other independent establishment or agency, shall be $17,500 per annum, $15,000 per annum or $12,500 per annum, to be determined in each individual case by the President. The rate of basic compensation of each member of an independent board or commission and the assistant heads of other independent establishments and agencies shall be fixed at the next lower rate, specified above, than the rate determined by the President for the head of the board, commission, independent establishment, or agency, except that in any case in which the rate so fixed by the President for the head of the board, commission, or agency is $12,500 per annum, the rate of basic compensation of other members of such board or commission or of an assistant head of such other independent establishment or agency shall be $11,000 per annum.~~

~~SEC. 3. In no case shall basic rates of compensation, authorized by statute, for any positions specified in sections 1 and 2 above be decreased as a result of this Act.~~

~~SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.~~

That this Act may be cited as the "Federal Employees Pay Act of 1948".

TITLE I—AMENDMENTS OF THE CLASSIFICATION ACT OF 1923, AS AMENDED

COMPENSATION SCHEDULE

SEC. 101. (a) Hereafter, the rates of basic compensation for officers, employees, and positions in the departmental and field services, who are required to be compensated in accordance with the Classification Act of 1923, as amended, shall be in conformity with the following compensation schedule of per annum rates:

Grade	*Minimum rate*	*Intermediate rates*	*Maximum rate*
1	*$1,690*	*$1,755, $1,820, $1,885*	*$1,950*
2	*2,350*	*$2,410, $2,470, $2,530, $2,590, $2,650*	*2,710*
3	*2,710*	*$2,780, $2,850, $2,920, $2,990, $3,060*	*3,130*
4	*3,150*	*$3,250, $3,350, $3,450, $3,550, $3,650*	*3,750*
5	*3,750*	*$3,875, $4,000, $4,125, $4,250, $4,375*	*4,500*
6	*4,500*	*$4,675, $4,850, $5,025, $5,200, $5,375*	*5,550*
7	*5,550*	*$5,725, $5,900, $6,075, $6,250, $6,425*	*6,600*
8	*6,600*	*$6,850, $7,100, $7,350*	*7,600*
9	*7,750*	*$8,000, $8,250, $8,500*	*8,750*
10	*8,850*	*$9,150, $9,450, $9,750*	*10,050*
11	*10,350*	*$10,650, $10,950, $11,250*	*11,550*
12	*11,850*	*$12,350, $12,850, $13,350*	*13,850*

Charwomen working part time shall be paid at the rate of $1.19 an hour, and head charwomen working part time shall be paid at the rate of $1.24 an hour.

(b) Notwithstanding the provisions of section 13 of the Classification Act of 1923, as amended:

Grade 1 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 1 of the crafts, protective and custodial service under such Act.

Grade 2 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grades 1 and 2 of the subpro-

fessional service, grade 1 of the clerical, administrative and fiscal service, grades 2 and 3 of the crafts, protective and custodial service and grade 1 of the clerical-mechanical service under such Act.

Grade 3 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grades 3 and 4 of the subprofessional service, grades 2 and 3 of the clerical, administrative and fiscal service, grades 4 and 5 of the crafts, protective and custodial service, and grade 2 of the clerical-mechanical service under such Act.

Grade 4 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 1 of the professional and scientific service, grades 5 and 6 of the subprofessional service, grades 4 and 5 of the clerical, administrative and fiscal service, grades 6 and 7 of the crafts, protective and custodial service, and grade 3 of the clerical-mechanical service under such Act.

Grade 5 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 2 of the professional and scientific service, grades 7 and 8 of the subprofessional service, grades 6 and 7 of the clerical, administrative and fiscal service, grades 8 and 9 of the crafts, protective and

custodial service, and grade 4 of the clerical-mechanical service under such Act.

Grade 6 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 3 of the professional and scientific service, grades 8 and 9 of th clerical, administrative and fiscal service, and grade 10 of the crafts, protective and custodial service, under such Act.

Grade 7 of the compensation schedule set forth in subsection (a) shall include all classes of positons that are or would be properly placed in grade 4 of the professional and scientific service and grades 10 and 11 of the clerical, administrative and fiscal service, under such Act.

Grade 8 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 5 of the professional and scientific service and grade 12 of the clerical, administrative and fiscal service, under such Act.

Grade 9 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 6 of the professional and scientific service and grade 13 of the clerical, administrative and fiscal service, under such Act.

Grade 10 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or

would be properly placed in grade 7 of the professional and scientific service and grade 14 of the clerical, administrative and fiscal service, under such Act.

Grade 11 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 8 of the professional and scientific service and grade 15 of the clerical, administrative and fiscal service, under such Act.

Grade 12 of the compensation schedule set forth in subsection (a) shall include positions the duties of which are to plan and direct or to plan and execute frontier or unprecedented professional, scientific, or other specialized programs of outstanding difficulty, responsibility, and national significance, requiring extended professional, scientific, or other specialized training and experience which has demonstrated outstanding leadership and attainments in professional, scientific, or other specialized research, practice, or administration; to serve as the head of a professional, scientific, or other bureau where the position, considering the kind and extent of the authorities and responsibilities vested in it, and the scope, complexity, and degree of difficulty of the activities carried on, is exceptional and outstanding among the whole group of positions of heads of such bureaus; or to perform consulting or other professional, scientific, or

other specialized work of equal importance, difficulty, and responsibility.

No position shall be placed in grade 12, and no officer or employee to whom the Classification Act of 1923, as amended, applies shall be compensated at any of the rates of such grade, except by provision of an Act of Congress referring to that specific position, or after prior approval by the Civil Service Commission. Such prior approval shall cover the evaluation of the duties, responsibilities, and qualification requirements of the position and the qualifications of any proposed appointee thereto.

The Civil Service Commission shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions placed in grade 12 in the respective departments and agencies during that calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each: Provided, however, That in any instance where the head of the department or agency may consider full public report on these items detrimental to the national security, the Commission is authorized to omit such items from its annual report, and, in lieu thereof, the head of the department or agency shall present such information in executive sessions of such com-

mittees of the Senate and House of Representatives as the presiding officers of those bodies shall designate.

(c) Whenever payment is made on the basis of a daily, hourly, weekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (a) according to the method prescribed in section 604 of the Federal Employees Pay Act of 1945.

(d) The following paragraphs of section 13 of the Classification Act of 1923, as amended, under the headings indicated, are hereby repealed:

"PROFESSIONAL AND SCIENTIFIC SERVICE

"Grade 9 in this service, which may be referred to as the special professional grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $10,000."

"CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

"Grade 16 in this service, which may be referred to as the special executive grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $10,000."

INITIAL SALARY ADJUSTMENTS

SEC. 102. (a) The existing rate of basic compensation of any officer or employee in a pay status in a position required to be compensated in accordance with the compensa-

tion schedule set forth in subsection (a) of section 101 shall be initially adjusted as follows:

(1) If his position is in grade 1 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$1,080	*$1,690*
$1,170	*1,755*
$1,258	*1,820*
$1,330	*1,885*
$1,402	*1,950*

(2) If his position is in grade 2 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$1,690	*$2,350.00*
$1,756	*2,350.00*
$1,822	*2,410.00*
$1,872	*2,470.00*
$1,888	*2,470.00*
$1,954	*2,530.00*
$2,017.60	*2,590.00*
$2,020	*2,590.00*
$2,093.04	*2,650.00*
$2,168.28	*2,718.28*
$2,243.52	*2,793.52*

(3) If his position is in grade 3 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$1,954	*$2,710.00*
$2,020	*2,710.00*
$2,093.04	*2,710.00*
$2,163.20	*2,780.00*
$2,168.28	*2,780.00*
$2,243.52	*2,850.00*
$2,318.76	*2,920.00*
$2,329.60	*2,920.00*
$2,394	*2,990.00*
$2,469.24	*3,060.00*
$2,544.48	*3,130.00*
$2,619.72	*3,169.72*
$2,694.96	*3,244.96*

(4) *If his position is in grade 4 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$2,394	*$3,150.00*
$2,469.24	*3,150.00*
$2,496	*3,150.00*
$2,544.48	*3,150.00*
$2,619.72	*3,250.00*
$2,641.60	*3,250.00*
$2,644.80	*3,250.00*
$2,694.96	*3,250.00*
$2,770.20	*3,350.00*
$2,845.44	*3,450.00*
$2,895.60	*3,550.00*
$2,920.68	*3,550.00*
$3,021	*3,650.00*
$3,146.40	*3,750.00*
$3,271.80	*3,821.80*
$3,397.20	*3,947.20*

(5) *If his position is in grade 5 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$2,808	*$3,750.00*
$2,895.60	*3,750.00*
$3,021	*3,750.00*
$3,099.20	*3,750.00*
$3,146.40	*3,750.00*
$3,271.80	*3,875.00*
$3,397.20	*4,000.00*
$3,522.60	*4,125.00*
$3,648	*4,250.00*
$3,773.40	*4,375.00*
$3,898.80	*4,500.00*
$4,024.20	*4,574.20*
$4,149.60	*4,699.60*

(6) *If his position is in grade 6 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$3,648	*$4,500*
$3,773.40	*4,500*
$3,898.80	*4,500*
$4,024.20	*4,675*
$4,149.60	*4,850*
$4,275	*4,850*
$4,400.40	*5,025*
$4,525.80	*5,200*
$4,651.20	*5,375*
$4,776.60	*5,375*
$4,902	*5,550*

(7) *If his position is in grade 7 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$4,525.80	*$5,550*
$4,651.20	*5,550*
$4,776.60	*5,550*
$4,902	*5,550*
$5,027.40	*5,725*
$5,152.80	*5,900*
$5,278.20	*5,900*
$5,403.60	*6,075*
$5,654.40	*6,250*
$5,905.20	*6,600*

(8) *If his position is in grade 8 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$5,905.20	*$6,600*
$6,144.60	*6,850*
$6,384	*7,100*
$6,623.40	*7,350*
$6,862.80	*7,600*

(9) If his position is in grade 9 of such compensation schedule and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$7,102.20	*$7,750*
$7,341.60	*8,000*
$7,581.00	*8,250*
$7,820.40	*8,500*
$8,059.80	*8,750*

(10) If his position is in grade 10 of such compensation schedule, and his existing rate of basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$8,179.50	*$8,850*
$8,478.75	*9,150*
$8,778	*9,450*
$9,077.25	*9,750*
$9,376.50	*10,050*

(11) If his position is in grade 11 of such compensation schedule, his existing rate of basic compensation shall be adjusted as follows:

(A) If he has had less than eighteen months of service creditable for within-grade salary advancements under the Classification Act of 1923, as amended, since his last equivalent increase, his existing rate shall be adjusted to $10,350 per annum.

(B) If he has had eighteen but less than thirty-six months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,650 per annum.

(C) If he has had thirty-six but less than fifty-four months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,950 per annum.

(D) If he has had fifty-four but less than seventy-two months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $11,250 per annum.

(E) If he has had seventy-two or more months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $11,550 per annum.

(b) A previous salary advancement of $25 per annum, or a salary increase under paragraphs (1) to (10), inclusive, of subsection (a) shall not be considered an "equivalent increase" for the purpose of within-grade salary advancements under the Classification Act of 1923, as amended.

(c) Upon adjustment of the salary of any person pursuant to subparagraph (A), (B), (C), or (D) of paragraph 11 of subsection (a) any creditable service in excess of that required for such adjustment shall be credited toward the first within-grade salary advancement subsequent to such adjustment.

(d) Each of the rates, $2,718.28 and $2,793.52 in grade 2, $3,169.72 and $3,244.96 in grade 3, $3,821.80 and $3,947.20 in grade 4, and $4,574.20 and $4,699.60 in grade 5, is authorized to be paid only to those employees whose existing compensation is initially adjusted to that rate under this section.

BASIS FOR CLASSIFYING POSITIONS

SEC. 103. Section 2 of the Classification Act of 1923, as amended, is amended by inserting "(a)" before the first sentence thereof, and by adding at the end of such section a new subsection as follows:

"(b) (1) Each position shall be placed in its appropriate class and grade. The basis for determining the class and the grade in which each position shall be placed shall be the duties and responsibilities of such position and the qualifications required by such duties and responsibilities.

"(2) In placing positions in classes and grades, there shall be taken into consideration all material facts which, in a given case, are relevant to the degree of difficulty, the weight of the responsibility, and the qualification requirements of the work involved in the position, such as (1) kind and variety of work; (2) nature and extent of available guide lines for performance of work; (3) nature of supervisory control exercised by others over the work; (4) initiative, originality, or judgment required; (5) purpose and nature of personal contacts required by the work; (6) nature and scope of recommendations, decisions, commitments, and conclusions involved; (7) additional responsibilities discharged by an employee personally because of his exceptionally efficient service in his position; (8) kind, scope, and extent of knowledge, ability, and other qualities required;

(9) kind, length, and quality of experience necessary; and (10) nature and extent of supervisory control over the work of other employees.

"(3) Supervisory positions shall not be placed in a class and grade solely on the basis of the size of the group, section, bureau, or other organization unit or the number of subordinates supervised. Such factors may be given effect only to the extent warranted by the work load of the organization unit and then only in combination with other factors, such as the kind, difficulty, and complexity of work supervised, the degree and scope of responsibility delegated to the supervisor, and the kind, degree, and value of the supervision actually exercised."

STANDARDS FOR CLASSIFYING POSITIONS

SEC. 104. The third paragraph of section 3 of the Classification Act of 1923, as amended, is further amended by inserting "(c)" before the first sentence of such paragraph; by inserting "(e)" before the sixth sentence of such paragraph; and by amending the second, third, fourth, and fifth sentences of such paragraph to read as follows:

"(d) (1) The Civil Service Commission, after consultation with departments and agencies, shall prepare and publish standards for placing positions in their proper classes and grades. The Commission is authorized to make such inquiries or investigations of the duties and responsibilities

and qualification requirements of positions as it deems necessary for this purpose. Such standards shall, in terms of duties, responsibilities, and qualification requirements, define the various classes of positions that exist in the service; shall establish the official class titles; shall show the grades in which such classes have been placed by the Commission; and shall be published in such form as the Commission shall determine. At the request of the Commission, departments and agencies shall furnish information and cooperate in the preparation of such standards.

"(2) The Commission shall keep such standards up to date. From time to time, after consultation with the departments and agencies to the extent deemed necessary, it may revise, supplement, amend, abolish, merge, or divide existing standards, or prepare new standards, so that, as nearly as may be practicable, positions existing at any given time within the service will be covered by current published standards.

"(3) The official class titles so established shall be used for personnel, budget, and fiscal purposes to the extent deemed necessary by the Commission, but this shall not prevent the use of organizational or other titles for internal administration, public convenience, law enforcement, or similar purposes."

AUTHORITY AND PROCEDURE

SEC. 105. Section 4 of the Classification Act of 1923, as amended, is hereby amended to read as follows:

"SEC. 4. (a) In conformity with standards issued pursuant to the provisions of section 3 (d) of this Act, departments and agencies (1) shall place all positions in their departmental and field services in their respective classes and grades and (2) shall review the determination of the class and grade of a position whenever it materially changes with respect to its duties, responsibilities, or qualification requirements and shall revise such determination when the facts warrant.

"(b) Action taken under the authority of subsection (a) of this section shall be final unless and until changed by certification of the Commission: Provided, That departments and agencies shall refer to the Commission for final action such positions in the departmental service as are not at the time covered by standards published by the Commission.

"(c) The Commission shall post-audit actions taken under the authority of subsection (a) of this section, and shall have authority on its own motion, or at the request of the employee occupying the position, or otherwise to ascertain currently the facts as to the duties, responsibilities, and qualification requirements of any position. In connection with

such post-audits, departments and agencies shall provide the Commission with information regarding the duties and responsibilities of positions, reasons for placing individual positions in the respective classes and grades, and related information requested by the Commission.

"(d) Whenever the Commission, after investigation and after affording the department or agency concerned an opportunity for explanation and for submitting further information, shall determine that any position subject to this Act (1) has not been placed in its proper class and grade, or (2) has not been placed in any class and grade, the Commission shall place such position in its proper class and grade and shall certify its findings and a statement of the necessary corrections to the department or agency concerned and to the General Accounting Office.

"(e) Departments and agencies shall take action in accordance with such certificates of the Commission. The Commission's certificates shall be binding on all certifying, pay-roll, disbursing, and accounting officers of the Government. Any pay adjustment shall be effective at the beginning of the pay period in which the Commission's certificate is received in the appropriate administrative office.

"(f) The rate of basic compensation to which an officer's or employee's existing rate shall be adjusted when (1) the standards issued under section 3 (d) of this Act are first

applied to his position or (2) an error in placing his position in a class and grade is corrected, shall be in accordance with the compensation schedule established by section 101 (a) of the Federal Employees Pay Act of 1948 and shall be governed by regulations issued by the Commission: Provided, That if such rate is lower than the rate at which he has theretofore been receiving compensation, or at which he was hired, and the Commission finds that the circumstances of the individual case warrant (A) continuance of the rate at which he has theretofore been receiving compensation or at which he was hired, or (B) adjustment to any standard rate falling between the rate specified in (A) and the appropriate rate as set out in such compensation schedule; it may authorize such continuance or adjustment.

"(g) Whenever the Commission finds that the actions of any department or agency in placing positions in classes and grades are not in accordance with standards issued pursuant to section 3 (d) of this Act and that the errors or failure in applying such standards are sufficiently serious to warrant immediate supervision by the Commission of future actions, the Commission may, in its discretion, after affording the department or agency an opportunity for consultation and explanation, withdraw or suspend in whole or in part the authority of the department or agency to take final action and require approval of such actions by the

Commission prior to their becoming effective. After any such withdrawal or suspension, the Commission may restore such authority when, in its judgment, such restoration is warranted by the corrective steps taken by the department or agency to prevent future errors or failures. The Commission shall promptly notify the General Accounting Office of any such withdrawal, suspension, or restoration.

"(h) In determining the rate of compensation which an employee shall receive, the principle of equal compensation for equal work irrespective of sex shall be followed."

WITHIN-GRADE SALARY ADVANCEMENTS

SEC. 106. Subsection (b) of section 7 of the Classification Act of 1923, as amended, is hereby further amended by striking out "twelve months" and substituting "fifty-two weeks" therefor; and by striking out "eighteen months" and substituting "seventy-eight weeks" therefor.

ADDITIONAL SALARY ADVANCEMENTS

SEC. 107. Subsection (f) of section 7 of the Classification Act of 1923, as amended, is amended by inserting before the words "this subsection" wherever they appear therein the words "the first sentence of", and by adding at the end thereof the following:

"Within the limit of available appropriations, as a reward for long, faithful, and outstanding service, under standards to be issued by the Commission, and subject to

prior approval by the Commission, or delegation of authority as provided in subsection (g), the head of any department or agency is authorized to award additional salary advancements to an employee beyond the maximum rate of the grade in which the employee's position is placed, but no employee's salary shall be increased beyond the maximum rate for his position by more than three such additional salary advancements, and no employee shall receive more than one such advancement during any three-year period. Each such additional salary advancement shall be equal to the highest increment between any two consecutive rates of the grade in which the employee's position is placed, and shall be subject to the following conditions:

"(1) The employee shall have completed at least three years of continuous service, certified by his department or agency as being of outstanding value to the Government, at the maximum rate of his position, or at such rate in excess thereof as is authorized by this subsection, without change of grade or rate of basic compensation except that due to an Act of Congress of general application.

"(2) He shall have had, in the aggregate, not less than ten years of service in the position which he then occupies, or in positions of equivalent or higher class or grade.

"(3) The performance of an employee who is receiving additional salary advancement beyond the maximum rate

shall be reviewed annually, and if this review reflects a failure to render outstanding service, the employee's rate of pay shall revert to the rate which he received immediately prior to his last advancement."

MISCELLANEOUS PROVISIONS

SEC. 108. Rule 6 of section 6 of the Classification Act of 1923, as amended, is amended by inserting before the period at the end thereof a comma and the following: "except that appointments to positions in grades 11 and 12 may, with the prior approval of the Civil Service Commission, be made at any rate of the grade".

SEC. 109. Whenever the Civil Service Commission shall find (a) that a sufficient number of qualified eligibles for positions of a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (b) that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to a rate not higher than the middle rate of the grade in which such class is placed, the Commission may, by regulation, establish such higher rate as the minimum rate for that class in the areas or locations concerned. Each such regulation shall specify the date, not more than one year from the date of issuance, when it shall cease to be effective unless extended by another such regulation.

SEC. 110. The Civil Service Commission is hereby

authorized to issue such regulations as may be necessary for the administration of the foregoing provisions of this title in the departmental and field services and to identify the positions falling under section 111 of this title.

SEC. 111. Section 5 of the Classification Act of 1923, as amended, is amended to read as follows:

"SEC. 5. (a) This Act shall not be applicable to positions and employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations; and the rates of basic compensation of such positions and employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose.

"(b) This Act shall not be applicable to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, vessel employees of the Panama Railroad Company, or other vessel employees of the United States; and the rates of basic compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with wage practices of the maritime industry."

TITLE II—INCREASE IN RATES OF COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES

COVERAGE

SEC. 201. The provisions of this title shall apply to civilian positions, officers, and employees (other than officers and employees who serve without compensation) in or under (1) the executive departments; (2) the independent establishments and agencies in the executive branch, including wholly owned Government corporations and the Federal Deposit Insurance Corporation; (3) the Administrative Office of United States Courts; (4) the Library of Congress; (5) the Government Printing Office; (6) the General Accounting Office; (7) the Office of the Architect of the Capitol; (8) the Commissioners of the District of Columbia; and (9) the Court of Claims.

HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS

SEC. 202. The rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $20,350 per annum; of each Under Secretary of an executive department, of the Solicitor General of the United States, of the Assistant to the Attorney General, and of the First Assistant Postmaster General, $18,350 per annum; and of each Assistant Secretary of an executive

department, of each Assistant Attorney General, of the Second, Third, and Fourth Assistant Postmaster General, and of each of three special Assistants to the Secretary of Defense, $15,350 per annum.

HEADS AND ASSISTANT HEADS OF INDEPENDENT ESTABLISHMENTS AND AGENCIES

SEC. 203. (a) The rate of basic compensation of the Comptroller General, the Director of the Bureau of the Budget, the Administrator of Veterans' Affairs, the Federal Security Administrator, the Chairman of the Atomic Energy Commission, and the Federal Works Administrator shall be $18,350 per annum. In any case in which the responsibility immediately below that of an officer referred to in the preceding sentence for the direction and administration of the functions of his agency is concentrated in a single position, the rate of basic compensation of such position shall be $16,850 per annum. In any case in which such responsibility is concentrated in more than one but not more than three positions the rate of basic compensation of each such position shall be $15,350 per annum.

(b) The rate of basic compensation of (1) the other members of independent boards or commissions (including the boards of directors of such wholly owned Government corporations as the President may designate and the Federal Deposit Insurance Corporation) in the executive branch; (2) the

heads of other independent establishments or agencies in the executive branch; (3) the governors of Territories or possessions; (4) the Commissioners of the municipal government of the District of Columbia; (5) the Director of the Administrative Office of United States Courts; (6) the Librarian of Congress; and (7) the Public Printer, shall be $16,850 per annum. In any case in which the responsibility immediately below that of a board, commission, or other head of an agency referred to in this subsection, for the direction and administration of the functions of such board, commission, or agency is concentrated in a single position, the rate of basic compensation of such position shall be $15,350 per annum.

(c) The rates of basic compensation of the heads of the component parts of the Executive Office of the President (other than the Bureau of the Budget), and of such secretaries, administrative or executive assistants, and other immediate staff assistants to the President in the White House Office as the President may designate shall be $18,350 per annum, $16,850 per annum, or $15,350 per annum, to be determined by the President of the United States.

(d) The rate of basic compensation of the Architect of the Capitol shall be $15,350 per annum; and that of the Commissioners of the Court of Claims shall be $11,550 per annum.

(e) The provisions of this section shall not apply in the

case of any position with respect to which the Congress shall hereafter fix the rate of basic compensation.

TITLE III—INCREASES IN PAY RATES OF LEGISLATIVE, JUDICIAL, AND CERTAIN OTHER EMPLOYEES

INCREASE IN PAY RATES OF EMPLOYEES IN LEGISLATIVE BRANCH

SEC. 301. (a) Section 501 of the Federal Employees Pay Act of 1945, as amended, is amended by inserting before the period at the end of the first sentence of such section the following: "thereby, plus, except as hereinafter provided, (1) 32½ per centum of his rate of compensation (including the additions thereto provided by the foregoing portion of this sentence), or (2) $650 per annum, whichever is the lesser. No employee in the office of a Senator, Representative, Delegate, or Resident Commissioner, and no clerical or professional staff member of a committee of the Senate or House of Representatives shall be paid, with respect to any pay period, any additional compensation under the provisions of clause (1) or (2) of the preceding sentence, or any compensation at a rate in excess of $10,000 per annum, unless such Senator, Representative, Delegate, or Resident Commissioner, or the chairman of such committee, shall so certify in writing to the appropriate disbursing office, and in such event payment of such

compensation shall begin on the first regular pay day following such certification, or following the effective date of title III of the Federal Employees Pay Act of 1948, whichever is later. Notwithstanding the provisions of any other law or laws, the basic compensation of any employee, other than an administrative assistant, in the office of a Senator, Representative, Delegate, or Resident Commissioner may be fixed by such Senator, Representative, Delegate, or Resident Commissioner at any multiple of $5 per month which is not in excess of $5,700 per annum. Any such increase shall be made by certification in writing to the appropriate disbursing officer before the first day on which compensation at such increased rate is to be effective".

(b) The annual compensation of each of the elected officers of the Senate and the House of Representatives (not including the Presiding Officers of the two Houses), as fixed by section 201 (a) of the Legislative Reorganization Act of 1946, shall be increased by $650.

INCREASE IN PAY RATES OF EMPLOYEES IN JUDICIAL BRANCH

SEC. 302. Section 521 of the Federal Employees Pay Act of 1945, as amended, is amended by inserting before the period at the end of the first sentence of such section the following : "thereby, plus (1) 32½ per centum of his rate of compensation (including the additions thereto provided

by the foregoing portion of this sentence), or (2) $650 per annum, whichever is the lesser".

INCREASE IN PAY RATES OF CUSTOMS CLERKS, IMMIGRANT INSPECTORS, AND CERTAIN OTHER EMPLOYEES IN THE EXECUTIVE BRANCH WHOSE RATES ARE FIXED BY STATUTES OTHER THAN THE CLASSIFICATION ACT

SEC. 303. (a) Each of the existing rates of basic compensation provided by the Act entitled "An Act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by (1) 32½ per centum of such rate, or (2) $650 per annum, whichever is the lesser. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Rates of basic compensation specifically provided by statute (including any increases therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945 and section 4 of the Federal Employees Pay Act of 1946), for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1947, and are not increased by any

other provision of this Act, are hereby increased by (1) 32½ per centum of such rate, or (2) $650 per annum, whichever is the lesser. Such augmented rates shall be considered to be the regular rates of compensation.

MINIMUM RATE OF COMPENSATION

SEC. 304. If any rate, as increased by section 302 or 303 of this Act, except a rate provided for a foreign service staff officer or employee is insufficient to provide compensation of $2,350 for each two thousand and eighty hours required to be devoted exclusively to the service of the United States by any worker who has attained his eighteenth birthday anniversary, such rate shall be adjusted by the head of the employing agency so as to provide such compensation. Such adjusted rate shall be considered to be the regular rate of compensation. For the purpose of this section, the number of hours required in the case of any position to be devoted exclusively to the service of the United States, if not determined by law, shall be determined, from time to time, by the head of the employing agency.

MAXIMUM RATE OF COMPENSATION

SEC. 305. (a) Section 603 (b) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "$10,000" where it first appears in such section and inserting in lieu thereof "$11,550".

(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out "$10,000" and inserting in lieu thereof "$11,550".

(c) No officer or employee shall, by reason of any provision of this title, be paid with respect to any pay period. basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $11,550 per annum.

INCREASE IN MAXIMUM PER DIEM RATES FOR TEMPORARY OR INTERMITTENT SERVICES

SEC. 306. (a) As to departments and agencies subject to the Classification Act of 1923, as amended, expert and consultant personnel employed by contract in accordance with section 15 of Public Law 600, Seventy-ninth Congress, may, notwithstanding provisions of other laws, be compensated at any rates of compensation not in excess of the daily rate equivalent of the highest annual rate provided for grade 11 by section 101 of this Act.

(b) Section 15 of Public Law 600, Seventy-ninth Congress, is amended by striking out "payable under the Classification Act", and inserting in lieu thereof "provided for grade 11 by section 101 of the Federal Employees Pay Act of 1948".

TITLE IV—GENERAL PROVISIONS

RATES OF PRESENT INCUMBENTS NOT TO BE REDUCED

SEC. 401. In no case shall the rate of basic compensation, authorized by law, being received by the incumbent of any position subject to this Act on the date of enactment of this Act be decreased as a result of the enactment of this Act so long as he continues to occupy the position occupied by him on the date of enactment of this Act, other than by reason of action of the Civil Service Commission pursuant to the provisions of section 103, 104, or 105, or by reason of the provisions of section 111; but when the position becomes vacant, the basic rate of compensation of any new appointee shall be fixed in accordance with the provisions of this Act.

APPROPRIATION AUTHORIZED

SEC. 402. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 403. This Act shall take effect with respect to any officer or employee on the first day of the first pay period which begins after the date of enactment of this Act.

Amend the title so as to read: "A bill to increase the rates of compensation of employees of the Government."

Calendar No. 1153

80TH CONGRESS
2D SESSION

S. 1537

[Report No. 1113]

A BILL

To increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

By Mr. FLANDERS and Mr. BALDWIN

JUNE 30 (legislative day, APRIL 21), 1947
Read twice and referred to the Committee on Civil Service

APRIL 8 (legislative day, MARCH 29), 1948
Reported with amendments

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1773

PROVIDING A TEMPORARY INCREASE IN THE COMPENSATION OF OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT AND OF THE DISTRICT OF COLUMBIA MUNICIPAL GOVERNMENT

APRIL 21, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. REES, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H. R. 5472]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 5472) to provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

(*a*) On page 1, line 3, strike out "section 4" and insert "section 3".
(*b*) On page 1, line 8, strike out "$480" and insert "$468".
(*c*) On page 2, strike out lines 3 to 19, inclusive.
(*d*) On page 2, line 20, strike out "Sec. 3" and insert "Sec. 2".
(*e*) On page 2, line 22, strike out "officer, postmaster, or employee" and insert "officer or employee".
(*f*) On page 3, line 6, strike out "Sec. 4" and insert "Sec. 3".
(*g*) On page 3, line 11, strike out "Sec. 5" and insert "Sec. 4".
(*h*) On page 3, line 11, strike out "January" and insert "May".

PURPOSE OF AMENDMENTS

The purpose of amendment (*a*) in section 1 is to make reference to new section 3 which was formerly section 4 under the original bill.

The purpose of amendment (*b*) is to provide a $468 increase in the salaries of Federal employees covered by the bill instead of the $480 increase in the original bill.

The purpose of amendment (*c*) is to eliminate employees in the field service of the Post Office Department from the coverage of the bill.

Amendment (*d*) is a perfecting amendment which changes section 3 in the original bill to section 2, and amendment (*e*) perfects the language of the bill by eliminating reference to postmasters in accordance with amendment (*c*).

Amendments (*f*) and (*g*) are additional perfecting amendments providing for renumbering section 4 to section 3, and section 5 to section 4, resulting from the elimination of section 2.

The purpose of amendment (*h*) is to provide that the bill shall take effect May 1, 1948, instead of January 1, 1948, as provided for in the original bill.

STATEMENT

The proposed legislation provides a temporary increase of $468 per annum in the compensation of Federal employees in various pay classification groups subject to the Federal Employees' Pay Act of 1946, including civilian employees of the executive departments and agencies in positions under the Classification Act of 1923, as amended, and other statutes, as well as employees of the District of Columbia government subject to the Classification Act, and employees of the legislative and judicial branches. For those employees who are paid on an hourly or part-time basis, the additional temporary compensation is at the rate of 25 cents per hour, which is commensurate with the $468 per annum increase.

The bill does not affect the basic compensation of any officer or employee coming within its provisions. Its sole purpose is to provide additional compensation for a temporary period as an aid to Government personnel in meeting the increased cost of living.

Based upon figures submitted by the Civil Service Commission and the Bureau of the Budget, the total cost of the bill will be approximately $421,000,000, and will provide temporary salary increases for approximately 900,000 Federal employees.

The committee devoted much study to this problem and hearings lasted from February 25 to March 17, 1948. Testimony presented by the Federal employees' groups, including the American Federation of Government Employees, the National Federation of Federal Employees, and the United Public Workers of America, emphasized the necessity for an immediate increase in the salaries of Federal employees because of the increased cost of living since July 1946. According to the Bureau of Labor Statistics, the present cost-of-living index is 167.5, as compared with an index of 100 in 1939, or an increase of 67.5 percent since 1939.

Federal employees whose salaries are increased under the provisions of this bill have received two permanent salary increases under prior legislation. An average increase of 17.4 percent was provided under the Federal Employees' Pay Act of 1945, and under the Federal Employees' Pay Act of 1946 these employees were granted an additional permanent general average increase of 14 percent.

Information furnished the committee by the Civil Service Commission shows that these two pay acts have resulted in an over-all increase of 31.4 percent in the basic annual rates of compensation for these Federal employees since 1944.

In December 1944, the average annual salary of Federal employees under the Classification Act of 1923, as amended, was $2,018 per annum. In July 1947, the average annual salary was $3,006, or an

increase of 49 percent during the past 2½ years. As shown above, the average salary increases resulting from legislation were about 31 percent. Thus, up-grading, reclassifications, and within-grade promotions have accounted for an additional 18-percent increase in the average annual salaries of these Federal employees.

On the basis of this information, the committee believed that a pay raise of $468 per annum would be ample additional compensation to meet the cost-of-living increase since 1939.

Inasmuch as the salary increases provided for under this bill will be in effect from May 1, 1948, to June 30, 1949, the committee provided in section 2 (a) that retirement deductions shall not be taken from this temporary salary increase because such temporary increase is primarily designed to offset the rising cost of living.

Representatives of the Civil Service Commission and the Bureau of the Budget presented testimony to the committee. In general, these witnesses stated that in view of the fact that the President's budget message did not include provision for increases in the salaries of Federal employees, they could not at this time recommend such increases.

Representatives of the Civil Service Commission and the Bureau of the Budget offered the committee a proposal for an extensive revision of the Classification Act of 1923, as amended. The recommendations of the Commission were supported by the Bureau of the Budget and are as follows:

The Classification Act of 1923 should be completely revised: (1) To provide for the establishment of compensation schedules by grades only instead of by both service and grades; (2) to place upon the Civil Service Commission the responsibility for the development of standards under which jobs are to be classified with the requirement that the heads of the departments and agencies shall classify the jobs in accordance with such standards subject to a sample post audit by the Civil Service Commission; and (3) to set forth clearly the features which are to be taken into consideration in classifying positions under the Classification Act of 1923, as amended.

For some time the committee has been impressed with the necessity for a complete revision and modernization of the Classification Act of 1923, and has requested the executive branch to provide the committee with its recommendations along this line. The committee is pleased to receive the recommendations of the Commission, but believes that more study is necessary to give adequate consideration to the proposals which have been submitted. In the short time which was devoted to this problem, the ramifications of such an extensive revision of the Classification Act could not have been properly explored. The temporary nature of the proposed legislation will give the committee sufficient time to study the recommendations of the President and the Civil Service Commission. This study, together with the committee's recommendations, should be completed before the expiration date of this bill.

The Civil Service Commission, Post Office Department, and Bureau of the Budget have furnished the committee with reports concerning this bill. These reports are as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington 25, D. C., April 14, 1948.

Hon. EDWARD H. REES,
House of Representatives.

DEAR CONGRESSMAN: Further reference is made to your request for a report upon H. R. 5472, a bill to provide a temporary increase in the compensation of

officers and employees of the Federal Government and of the District of Columbia municipal government.

Section 1 of this bill, which would provide a temporary increase of $480 per annum, not subject to retirement deductions, for departmental employees of this Department, would cost approximately $841,000. Section 2 of the bill, which would provide a similar increase to employees of the postal field service paid at an annual rate, an increase of 25 cents per hour to employees paid on an hourly or part-time basis, and an increase of 25 percent of his (or her) annual compensation to each postmaster at an office of the fourth class, would cost approximately $220,103,000. This would make the total cost of the bill approximately $220,944,000 per annum.

At the present time, there are 15 postmasters, whose salaries are in excess of $10,000 per annum. There would be no additional postmasters who would receive increases under the provisions of this bill, which would cause their pay to advance to a figure in excess of $10,000.

The apparent purpose of this legislation is to offset the increase in the cost of living. This Department does not have any statistics available from which it can be determined whether the percentage of increase provided by this legislation exceeds or is less than the determined percentage of increase in the cost of living. For this reason, this Department is not in a position to express an opinion as to the merits of the legislation.

This report has not been cleared through the Bureau of the Budget.

Sincerely yours,

J. M. Donaldson, *Postmaster General.*

United States Civil Service Commission,
Washington 25, D. C., April 9, 1948.

Hon. Edward H. Rees,
Chairman, Committee on Post Office and Civil Service,
United States House of Representatives.

Dear Mr. Rees: Further reference is made to your letter of February 21, 1948, requesting the Commission's views with respect to H. R. 5472, a bill to provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

H. R. 5472 would provide temporary additional compensation at the rate of $480 per annum for several groups of civilian employees of the Federal Government and the municipal government of the District of Columbia. These groups are identified as those whose present compensation is fixed by the Federal Employees Pay Act of 1946 and the Postal Pay Acts of 1945 and 1946.

Basically, this is a cost-of-living pay-increase bill. The recent and rapid increase in living costs has adversely affected the purchasing power not only of the employees covered by this bill but also military personnel and others who have fixed-dollar incomes. With respect to any contemplated program of offsetting the rise in living costs as it affects all the groups involved, the President said in his budget message of January 12, 1948, that the large expenditure necessary "would add greatly to the inflationary pressures in our economy." In this budget message, the President continued "The wiser approach, which I have proposed to the Congress, is to enact a comprehensive program to hold living costs down. Enactment of that program will give relief not only to Federal personnel and annuitants, but to our citizens generally. In the event that the Congress does not provide controls adequate for this purpose, I may have to recommend further adjustments in pay and benefit rates." Under this policy, the Commission is not in favor of the increase set forth in H. R. 5472.

Moreover, we are opposed to the method of pay adjustment indicated in the bill.

So far as annual salaries under the Federal Employees Pay Act of 1946 are concerned, the method of pay adjustment used in H. R. 5472 is in the nature of what the President characterized in his message of March 2, 1948, to the Congress as a "patchwork amendment to the Classification Act."

Previous legislation has seriously disturbed the internal consistency and equity within the Classification Act pay schedules, first, by increasing the lower brackets out of proportion to the increase in the higher brackets, and, second, by establishing a $10,000 salary ceiling. In the face of this situation, it would not be desirable to enact a flat increase on top of each rate of the existing schedules.

A much better method would be to reconstruct the salary scales of the Classification Act of 1923, as amended, so as to simplify the administration and understanding of that act and restore pay relationships that are consistent with the relationships of difficulty and responsibility of work at the various levels.

The major features of the kind of revision of the Classification Act which the Commission has in mind have been set forth recently in the Commission's Sixty-fourth Annual Report. The Commission would be glad to offer specific suggestions to the committee along these lines and to discuss them with the committee at your convenience.

On the basis of both the policy and the method indicated in H. R. 5472, the Commission does not recommend favorable action thereon.

We have been advised by the Bureau of the Budget that, in view of the position taken by the President in his budget message of January 12, 1948, to the Congress, the enactment of legislation as proposed by this measure would not, at least at this time, be in accord with the program of the President.

By direction of the Commission.

Sincerely yours,

HARRY B. MITCHELL, *President.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., March 16, 1948.

Hon. EDWARD H. REES,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington 25, D. C.

MY DEAR MR. REES: Reference is made to your letter of February 21, 1948, requesting the views of the Bureau of the Budget regarding the proposal contained in H. R. 5472, a bill to provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

In reply, you are advised that, in view of the position taken by the President on this subject, as set forth in his budget message of January 12, 1948, to the Congress, the enactment of legislation as proposed by this measure would not, at least at this time, be in accord with the program of the President.

Sincerely yours,

JAMES E. WEBB, *Director.*

○

Union Calendar No. 838

80TH CONGRESS
2D SESSION

H. R. 5472

[Report No. 1773]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 19, 1948

Mr. REES introduced the following bill; which was referred to the Committee on Post Office and Civil Service

APRIL 21, 1948

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as provided in section 4 *3*, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees' Pay Act of 1946 shall receive additional compensation at the rate of ~~$480~~ *$468* per annum:

Provided, That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour.

~~SEC. 2. Each postmaster, officer, and employee in the postal service whose rate of compensation is prescribed by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as supplemented by the Act entitled "An Act to provide additional compensation for postmasters and employees of the postal service", approved May 21, 1946, shall receive additional compensation at the rate of $480 per annum: *Provided,* That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further,* That each postmaster at a post office of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of his annual compensation under such Act of July 6, 1945, as supplemented by such Act of May 21, 1946.~~

SEC. ~~3~~ *2.* (a) The additional compensation provided by this Act shall not be considered a part of the basic compensation of any ~~officer, postmaster, or employee~~ *officer or employee* for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

(b) The additional compensation provided by this Act in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

SEC. ~~4~~ *3*. No officer or employee shall, by reason of the enactment of the first section of this Act, be paid with respect to any pay period, basic compensation, plus any additional compensation, at a rate in excess of $10,000 per annum.

SEC. ~~5~~ *4*. (a) This Act shall take effect as of ~~January~~ *May* 1, 1948.

(b) This Act shall not be in effect on and after July 1, 1949.

Union Calendar No. 838

80TH CONGRESS
2D SESSION

H. R. 5472

[Report No. 1773]

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

By Mr. REES

FEBRUARY 19, 1948

Referred to the Committee on Post Office and Civil Service

APRIL 21, 1948

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

80TH CONGRESS
2D SESSION

S. 1537

IN THE SENATE OF THE UNITED STATES

APRIL 21 (legislative day, MARCH 29), 1948
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BALDWIN (for himself and Mr. FERGUSON) to the bill (S. 1537) to increase the rate of compensation of heads and assistant heads of executive departments and of other officers, viz:

On page 28, line 21, before the word "Section" insert "(a)".

On page 29, between lines 2 and 3, insert the following:

"(b) Section 521 of the Federal Employees Pay Act of 1945, as amended, is further amended by adding at the end thereof the following new sentence: 'The additional basic compensation provided for by this section shall not be taken into account in determining whether the compensation paid to a court reporter appointed pursuant to section 5a of the

80TH CONGRESS
2D SESSION

S. 1537

AMENDMENTS

Intended to be proposed by Mr. BALDWIN (for himself and Mr. FERGUSON) to the bill (S. 1537) to increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

APRIL 21 (legislative day, MARCH 29), 1948
Ordered to lie on the table and to be printed

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 2, 1948
For actions of June 1, 1948
80th-2nd, No. 98

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HIGHLIGHTS: Senate passed bill authorizing payments in lieu of taxes on forest lands on value basis. Senate committee reported bill to repeal oleo taxes. Both Houses agreed to conference report on State, Justice, Commerce, Judiciary appropriation bill. Rep. Pace urged continuation of price supports, ACP, and CCC. Sen. Baldwin introduced bill to create Government cafeterias corporation.

SENATE

1. OLEOMARGARINE TAXES. The Finance Committee reported with amendments H. R. 2245, to repeal these taxes (S. Rept. 1437)(p. 6929).

2. TARIFF. Passed without amendment H. R. 5553, to extend to July 1, 1949, duty-free entry of 9 to 15 inch newsprint (p. 6943). This bill will now be sent to the President.

3. FOREST LANDS. Passed with amendments S. 582, authorizing annual payments to States, territories, and insular governments, for benefit of their local political subdivisions, based on fair value of national-forest lands situated therein (pp. 6943-5). The committee amendments provided for evaluation of forest lands by the Department once every 10 years, and provided for payment of 1% of value in lieu of taxes and in lieu of the present payment of 25% of receipts. Another committee amendment, permitting States and counties to appeal to the district courts if they believe the Department's valuation is wrong, was agreed to in a modified form, recommended by Sen. Cordon, to strike out the authorizations for counties to make such appeals.

Passed as reported S. 1243, which provides for payment of revenues from certain lands, including part of the Mt. Hood National Forest, into the tribal funds of the Confederated Tribes of the Warm Springs Reservation, Oreg. (p. 6951).

4. HAWAIIAN LANDS. Passed without amendment H. R. 3680, to amend the Hawaiian Homes Commission Act so as to permit mercantile establishments in agricultural

districts, increase from $3,000 to $5,000 the maximum loans allowable to any lessee of a tract of agricultural or pastoral land, etc. (p. 6957). This bill will now be sent to the President.

5. RECLAMATION. Passed without amendment H. R. 4954, to authorize the Kennewick Division of the Yakima project, Wash. (pp. 6957-8).

6. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 5607, and acted on amendments in disagreement (pp. 6993-4, 7009-18). This bill will now be sent to the President. (For conferees' actions, see Digest 97.)

7. DISPLACED PERSONS. Continued debate on S. 2242, to provide for admission into the U. S. of such persons (pp. 6973-95).

8. NOMINATION of Wayne C. Grover to be Archivist of the U. S. was reported favorably from the Post Office and Civil Service Committee (p. 6995).

9. NATIONAL FOREST. Passed without amendment S. 2617, to include certain lands in the Carson National Forest, N. Mex. (p. 6965).

10. RECLAMATION. Passed without amendment H.R. 4954, to authorize the construction, operation, and maintenance, under Federal reclamation laws, of the Kennewick division of the Yakima project, Wash. (pp. 6957-8). This bill will now be sent to the President.

11. PERSONNEL. The Daily Digest states that the Post Office and Civil Service Committee approved for reporting (but did not actually report) the following bills: S. 784, to provide maternity leave for Government employees; S. 2517, to amend the Civil Service Retirement Act relating to annual leave accrued at death; and "voted to approve a measure which Senator Baldwin said he proposed to introduce to establish a Government corporation to take over operations of Government Services, Inc." (p. D566).

12. FEDERAL AID HIGHWAYS. The Daily Digest states that the Public Lands "Subcommittee on Roads...agreed to report to the full committee H.R. 5888, Federal aid to highways" (p. D566).

13. The following bills were passed over:
S. 669, to provide for bonus of 30¢ per bushel for wheat and corn produced and sold between Jan. 1, 1945 and Apr. 18, 1946 (p.6934).
S. 299, to extend the reclamation laws to Ark. (p. 6934).
S. 493, to provide for the coordination of agencies disseminating technological and scientific information (p.6934).
S. 430, to amend the Civil Service Retirement Act to include employees of farm-loan associations and production credit associations (p. 6935).
H.R. 3834, to authorize the Fort Sumner irrigation district (N.Mex.) rehabilitation project.(p. 6935).
S. 2141, to transfer government-owned alcohol plants to USDA. (p.6936).
H.R. 3538, to authorize USDA to investigate and report on projects for reclaiming lands by drainage. (p.6936).
S. 2173, to amend the AAAct relating to marketing agreements and orders (p.6930).
S. 1537, to provide salary increases for Federal employees.(p. 6936).
H.R. 5275, to provide for free importation of limestone for fertilizer(pp.6937, 6960,6965-6).
S. 2318, the Aiken long-range farm program bill (p. 6945).
S.J.Res. 162, to rescind certain orders of Interior Department establishing Indian reservations in Alaska (p. 6946-9).

administration of a program to make the discoveries of engineers, inventors, scientists, and technicians more readily available to American industry and business, and for other purposes.

Mr. SALTONSTALL. Mr. President, I should like to have an explanation of the bill in view of the establishment of the so-called Hoover Commission, which is working on the whole general subject.

Mr. FERGUSON. Let the bill go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 84) to amend the Nationality Act of 1940, as amended, was announced as next in order.

Mr. RUSSELL. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 150) to discharge the Committee on the Judiciary from the further consideration of Senate Resolution 116 was announced as next in order.

Mr. RUSSELL. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (H. R. 3051) to amend the act of July 19, 1940, and to amend section 2 and repeal the profit-limitation and certain other limiting provisions of the act of March 27, 1934, was announced as next in order.

Mr. LUCAS. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 430) to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations and production credit associations was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3978) to provide for the temporary advancement in ranks and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia, serving as supervisors of certain squads, was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1663) to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 968) to authorize the Public Utilities Commission of the District of Columbia to limit the number of taxicabs licensed in the District of Columbia was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 4042) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

Mr. TAFT. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1653) to control the export to foreign countries of gasoline and petroleum products from the United States was announced as next in order.

Mr. TAFT. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1015) to amend section 7 of the act of June 25, 1910, as amended, to reduce the interest rate on postal-savings deposits to 1 percent per annum was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

FORT SUMNER IRRIGATION DISTRICT, NEW MEXICO

The bill (H. R. 3834) to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes, was announced as next in order.

Mr. CONNALLY and Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

Mr. HATCH. Mr. President, may I ask to be recognized to make an explanation of the bill?

Mr. WHERRY. The Senator who objects is not now in the Chamber. I have no further request to make.

Mr. CONNALLY. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HATCH. Mr. President, I desire to be recognized.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized for 5 minutes.

Mr. HATCH. I think I have 5 minutes under the rule. I merely wish to refer to House bill 3834, Calendar 802, a bill providing for the rehabilitation of an irrigation and reclamation project in the State of New Mexico. It is a measure which has received the unanimous approval of the committee in both House and Senate. It is a House bill which already passed the House. It involves the waters of the Pecos River. According to all engineering reports from Texas and New Mexico, the passage of this measure cannot in any way affect or injure a project in the State of Texas. The failure to pass it at this session can well destroy the project, which is a valuable asset to our State, and in some respects to the Nation.

It is impossible to pass the bill at this time because of the objection of a single Senator, which is in accordance with the rules of the Senate. However, the bill is of such great importance that I shall, I hope, before the session is over, obtain consideration of the measure, either directly by motion, or if that is not possible, by amendment to some other bill, at which time the question can be fully debated.

Let me say in all justice and fairness to the Senator from Texas [Mr. CONNALLY] that I am making this statement publicly in order that he may not be surprised when, if an opportunity arises, the measure is attached to another bill. I shall endeavor to use every parliamentary device possible.

Mr. CONNALLY. Mr. President, this is a bill to which my State strenuously objects. In the first place, this is not at present a Government reclamation project. It was a private project which failed, and we think the effort now is to have the Government come in to bail it out. Instead of paying back the funds in 40 years, as is the case with all other reclamation districts, the bill provides that there shall be a period of 70 years in which to make repayments. The Bureau of the Budget has advised against the bill. I have the report before me.

This project is on the Pecos River, which is an interstate stream which flows into Texas. Our view is that New Mexico, in appropriating the waters above Texas, deprives us of our fair share of the waters of the Pecos River. We have undertaken to get an interstate compact on this stream. Twice negotiators agreed on a compact, and twice New Mexico—once through its legislature and once through its Governor—refused the compact. The compact commissioners are now in session at Santa Fe, I understand, in the hope of reaching an agreement in favor of a compact. We want the compact in order to determine the fair share of the waters of the Pecos River for the State of Texas. After the compact shall have been concluded, the matter will take new shape. At present we are forced to object to the bill.

So far as concerns the statement of the Senator from New Mexico that he expects to attach the measure to some other bill, I can only say that if I have the opportunity I shall resist such an effort to tie this measure on as a rider to some other bill. It should stand on its own merits.

Mr. President, I am forced to object to the present consideration of the bill. I shall try to make my views known to Senators. If New Mexico can appropriate at its will the waters of the Pecos River before they reach Texas, we shall never get our fair share of the water. That is what is happening now. By legislation it is sought to appropriate these waters without any compact, without any regard to the necessities of Texas, and without any regard to a fair division of the water between the two States.

We have no animus against New Mexico, but we feel that she ought to cooperate and agree to a compact to see that these waters are fairly divided between the two States. I see no reason by the Federal Government should come to the rescue of a private project which is not an authorized reclamation project, and which has already failed. Such a course would entail an indebtedness which would require 70 years to repay, if it were ever repaid.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HATCH subsequently said: Mr. President, I shall not take 5 minutes on each bill as it is called, but I must say one word in reply to what the Senator from Texas has said. This project has not failed. The bill would not appropriate waters. The waters of the Fort Sumner irrigation district are established by prior appropriation and by rights already determined by the courts. There is nothing whatever in the contention that we

are seeking to appropriate a drop of water which belongs to anyone else. We are merely trying to conserve what little we have.

As to the compact, we are trying our best to reach an agreement; and if Texas would cooperate with us and enter into a compact and agree to the passage of this bill, we would be glad to do so; but we strenuously object to the use of the legislative powers of the Federal Government to force sovereign independent States to enter into agreements.

NATIONAL FREEDOM DAY

The Senate proceeded to consider the joint resolution (S. J. Res. 37) requesting the President to proclaim February 1 as National Freedom Day, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, on page 1, line 3, after the word "authorized", to strike out "and requested."

The amendment was agreed to.

Mr. RUSSELL. Let the joint resolution go over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 164) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

BILL INDEFINITELY POSTPONED

The bill (S. 1807) to provide for the temporary extension of the Export Control Act and title III of the Second War Powers Act, was announced as next in order.

Mr. TAFT. Mr. President, inasmuch as this matter has been taken care of, I move that the Senate bill be indefinitely postponed.

The motion was agreed to.

BILLS PASSED OVER

The bill (S. 2141) to make the Government-owned alcohol plant at Muscatine, Iowa, available for processing agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry was announced as next in order.

Mr. RUSSELL. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2242) to authorize for a limited period of time the admissions into the United States of certain European displaced persons for permanent residence and for other purposes was announced as next in order.

Mr. WHERRY. Mr. President, this bill is the present unfinished business.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

STAMPS COMMEMORATING ONE HUNDREDTH ANNIVERSARY OF POULTRY BUSINESS

The joint resolution (S. J. Res. 154) authorizing the issuance of a special series of stamps commemorative of the one-hundredth anniversary of the poultry business in the United States, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to prepare for issuance, on as early a date as practicable during the calendar year 1948, a special series of 3-cent postage stamps, of such design as he shall prescribe, in commemoration of the one-hundredth anniversary of the poultry industry in the United States.

BILLS PASSED OVER

The bill (S. 1989) to provide for the payment of certain Government employees for accumulated annual leave in cases involving transfers to other Government agencies under different leave systems, was announced as next in order.

Mr. WILLIAMS. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3538) to authorize the Department of Agriculture to investigate and report on project for reclaiming lands by drainage was announced as next in order.

Mr. WHERRY. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2173) to amend the provisions of the Agricultural Adjustment Act relating to marketing agreement and orders was announced as next in order.

Mr. WHERRY and Mr. GEORGE. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2326) to repeal the Alaska Railroad Retirement Act of June 29, 1936, as amended, and to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to officers and employees to whom such act of June 29, 1936, is applicable was announced as next in order.

Mr. WILLIAMS. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

CLASSIFICATION OF PERSONNEL OF FIRE DEPARTMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 3433) to amend the act entitled "An act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes," approved June 20, 1906, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment on page 3, after line 24, to strike out:

SEC. 3. This act shall take effect on July 1, 1948.

And insert:

SEC. 3. This act shall take effect 180 days after funds have been appropriated and made available for the additional personnel necessary to carry out the purposes of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 580) relating to the administrative jurisdiction of certain public lands in the State of Oregon was announced as next in order.

Mr. LUCAS. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

ADDITIONAL COMPENSATION FOR CERTAIN GOVERNMENT EMPLOYEES AND OFFICIALS

The bill (S. 1949) to provide additional compensation for postmasters and employees of the postal service was announced as next in order.

Mr. TAFT. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1537) to increase the rate of compensation of heads and assistant heads of executive departments and of other officers was announced as next in order.

Mr. TAFT. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

Mr. CHAVEZ subsequently said: Mr. President, I should like to inquire of the acting majority leader about Calendar No. 1152 and Calendar No. 1153, Senate bill 1949 and Senate bill 1537. I wonder whether the junior Senator from Nebraska or the senior Senator from Ohio can tell us whether we may expect action on those two bills during the present session.

Mr. WHERRY. If the Senator from New Mexico is addressing his question to me——

Mr. CHAVEZ. Yes; if the acting majority leader can answer the question, I shall be glad to have him do so. My question relates to Calendar No. 1152, Senate bill 1949, providing additional compensation for postmasters and employees of the postal service; and Senate bill 1537, Calendar No. 1153, a bill to increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

Mr. TAFT. Mr. President, the majority policy committee has made a public statement that this bill is considered one of the essential bills to be passed at the present session of Congress. I think I can assure the Senator that it will be brought before the Senate.

Mr. CHAVEZ. I thank the Senator.

ORDER OF BUSINESS

Mr. WHERRY. Mr. President, let me add this observation, however: It will depend a great deal on how much the Senate does on the bill which is the unfinished business. I wish to suggest to Senators, while they are in the Chamber this morning, that the displaced persons bill will come up immediately following the call of the calendar; and after the displaced persons bill is acted upon, it is our intention to have the Senate take up the so-called draft bill. I make this statement so that the Senate may be ad-

80TH CONGRESS
2D SESSION

H. R. 6916

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1948

Mr. REES introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Postal Rate Revision and Salary Act of 1948".

TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT

SEC. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed

by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: *Provided,* That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further,* That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

SEC. 102. The provisions of this Act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 103. This title shall take effect as of July 1, 1948.

TITLE II—POSTAL RATE REVISION

AIR MAIL

SEC. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall, except in the case of postal cards and private mailing or post cards, be 6 cents for each ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to

use of postal cards", approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

THIRD-CLASS MAIL

SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 1½ cents for each two ounces or fraction thereof: *Provided,* That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further,* That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that

in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 203. Publications containing twenty-four pages or more issued at regular intervals of four or more times a year, 25 per centum or more of whose pages are devoted to text or reading matter and not more than 75 per centum to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: *Provided*, That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or

calling of those who own or control them shall not be accepted under this section.

FOURTH-CLASS (PARCEL POST) MAIL

SEC. 204. (a) On fourth-class matter (limit of weight over eight ounces to seventy pounds) the rate of postage except as herein provided for catalogs (limit of weight over eight ounces up to and including ten pounds), books, and library books, shall be by the pound as hereinafter provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof, 1 cent for each additional pound or fraction thereof up to and including ten pounds, and $\frac{3}{4}$ cent for each pound or fraction thereof exceeding ten pounds.

(2) For delivery within the first and second zones,

except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2⅒ cents for each additional pound or fraction thereof up to and including ten pounds, and 2 cents for each pound or fraction thereof exceeding ten pounds.

(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including ten pounds, and 2⅘ cents for each pound or fraction thereof exceeding ten pounds.

(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including ten pounds, and 4¼ cents for each pound or fraction thereof exceeding ten pounds.

(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5½ cents for each pound or fraction thereof exceeding ten pounds.

(6) For delivery within the sixth zone, 16 cents

for the first pound or fraction thereof, $7\frac{1}{2}$ cents for each additional pound or fraction thereof up to and including ten pounds, and $7\frac{1}{4}$ cents for each pound or fraction thereof exceeding ten pounds.

(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, $9\frac{1}{2}$ cents for each additional pound or fraction thereof up to and including ten pounds, and $9\frac{1}{4}$ cents for each pound or fraction thereof exceeding ten pounds.

(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, $11\frac{1}{2}$ cents for each additional pound or fraction thereof up to and including ten pounds, and $11\frac{1}{4}$ cents for each pound or fraction thereof exceeding ten pounds.

(9) On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other

point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 7½ cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, 13 cents for

the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding seventy pounds in weight, may be sent at the postage rate of 8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organiza-

tions, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: *Provided,* That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, 15 cents; matter weighing more than two but not more than ten pounds, 20 cents; matter weighing more than ten pounds, 25 cents: *Provided,* That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equiv-

alent value may be accepted in lieu of the special-handling stamps herein specified.

SPECIAL DELIVERY

SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents: *Provided*. That, under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

MONEY ORDERS

SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows: For orders less than $5 and 1 cent, 10 cents; for orders from $5 and 1 cent up to and including $10, 15 cents; for orders from $10 and 1 cent up to and including

$50, 25 cents; for orders from $50 and 1 cent up to and including $100, 35 cents.

POSTAL NOTES

SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for issuance thereof shall be 8 cents each.

(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue, but thereafter may be paid by the Postmaster General or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: *Provided*, That no claim for the amount of a postal note will be considered unless filed within one year from the last day of the month of issue. Postal notes shall not be negotiable or transferable through endorsement.

REGISTERED MAIL

SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry

indemnity exceeding $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemnity exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $800, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $600, 7 cents; by more than $600 but not more than $800, 8 cents; by

more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more, the additional fee for each $1,000

or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 8 cents; for delivery within the second zone, 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered,

which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR INSURED MAIL

SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50 but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the

time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal sevice.

FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceeding $200. The fee for notifying the sender or his repre-

sentative of inability to deliver a collect-on-delivery article shall be 5 cents.

RESTRICTION IN DELIVERY

SEC. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided,* That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or non-delivery of the article or articles was due to some fault of the postal service.

REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum

amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.

(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.

SEC. 214. This title shall take effect on the first day of the second calendar month following the calendar month in which it is enacted.

80TH CONGRESS
2D SESSION

H. R. 6916

A BILL

To provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

By Mr. REES

JUNE 14, 1948

Referred to the Committee on Post Office and Civil Service

80TH CONGRESS
2D SESSION

H. R. 6917

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1948

Mr. REES introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as provided in section 3, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees' Pay Act of 1946 shall receive additional compensation at the rate of $360 per annum: *Provided,* That any employee paid on an hourly

or part-time basis shall receive additional compensation at the rate of 20 cents per hour.

SEC. 2. (a) The additional compensation provided by this Act shall not be considered a part of the basic compensation of any officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

(b) The additional compensation provided by this Act in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

SEC. 3. No officer or employee shall, by reason of the enactment of the first section of this Act, be paid with respect to any pay period, basic compensation, plus any additional compensation, at a rate in excess of $10,000 per annum.

SEC. 4. (a) This Act shall take effect as of July 1, 1948.

(b) This Act shall not be in effect on and after July 1, 1949.

80TH CONGRESS
2D SESSION

H. R. 6917

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

By Mr. REES

JUNE 14, 1948
Referred to the Committee on Post Office and Civil Service

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2358

POSTAL RATE REVISION AND SALARY ACT OF 1948

JUNE 15, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. REES, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H. R. 6916]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees in the field service of the Post Office Department, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

It is the purpose of this legislation to provide a permanent increase in the salaries of employees in the field service of the Post Office Department and to offset a portion of the increased cost by an increase in postal rates.

Title I of the bill provides an annual increase of $450 in the salaries of postal employees in the field service of the Post Office Department who are paid on an annual basis. Increases are provided in the amount of 25 cents per hour for hourly employees and increases of 25 percent for fourth-class postmasters.

Based upon 1947 volume it is estimated that the postal rate increases provided in title II of the bill will increase revenue to the postal service by $124,225,000 annually. The classes of mail and services and proposed amounts of the increases are as follows:

	Loss, fiscal year 1947	Amount of proposed increase
1. Air mail (domestic)	$18, 984, 425	$9, 850, 000
2. Circulars, printed matter, seeds, etc., in parcels, weighing less than 8 ounces (third-class mail)	74, 519, 210	14, 600, 000
3. Parcel post	41, 645, 366	60, 500, 000
4. Catalogs	6, 000, 000	2, 400. 000
5. Books	4, 887, 945	3, 300, 000
6. Special handling	(1)	300, 000
7. Special delivery	13, 217, 429	3, 600, 000
8. Money orders	32, 877, 232	17, 500, 000
9. Postal notes	3, 859, 635	1, 650, 000
10. Registered mail	10, 040, 120	4, 200, 000
11. Insurance	4, 365, 828	3, 575, 000
12. C. o. d. service	6, 006, 777	3, 300, 000

[1] Not available.

ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POSTAL SERVICE

Based upon figures submitted by the Post Office Department and the Bureau of the Budget, the total cost of title I of the bill will be approximately $211,221,797. All of the 479,850 employees in the field service of the Post Office Department will receive pay increase under the provisions of the bill.

The committee devoted much study to this legislation and the hearings lasted from February 25 to March 17, 1948. Testimony presented by the postal employees' national ogranizations stressed the necessity for an increase in the salaries of postal employees because of the increased cost of living since July 1946. According to the Bureau of Labor Statistics, the present cost-of-living index is 167.5 as compared with the index of 100 in 1939.

To offset part of the rising cost of living, postal employees in the field service have been granted two substantial permanent pay raises. The first was by adjustments in salaries and classifications under Public Law 134, Seventy-ninth Congress, amounting to $400 for each postal employee, beginning July 1, 1945. The second was under Public Law 386, Seventy-ninth Congress, which granted an additional permanent salary increase of $400 a year for the postal employees, effective January 1, 1946.

On the basis of the foregoing, the committee believed that a pay raise of $450 per annum would be ample additional compensation to meet the rising cost of living.

Representatives of the Post Office Department and the Bureau of the Budget presented the views of their agencies to the committee. In general, these witnesses stated that in view of the President's budget message which did not include provision for increasing the salaries of Federal employees, they could not at this time recommend additional compensation in the salaries of the employees in the field service of the Post Office Department.

The letters to the committee from the Bureau of the Budget and the Post Office Department relative to proposed salary-increase legislation are as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington 25, D. C., April 14, 1948.

Hon. EDWARD H. REES,
House of Representatives.

DEAR CONGRESSMAN: Further reference is made to your request for a report on H. R. 5667, a bill to provide additional compensation for postmasters and employees of the postal service.

This bill, which provides increases of $800 per annum for annual rate employees, 40 cents per hour for hourly rate employees and a 40 percent increase in the basic compensation of fourth-class postmasters, would cost approximately $361,650,000 per annum based on the number of man-years provided for in current appropriations for the fiscal year 1948. The number of man-years so provided is 456,593. Any increase or decrease in the number of man-years required in the postal service would have a comparable effect on the cost of the bill.

The cost figure does not take into consideration the influence of a general increase to postal employees on future compensations for contract services and job and Wage Board employees, also the administrative cost of putting new scales of pay into effect. It is not believed these items would result in increases beyond $15,000,000.

The apparent purpose of the legislation is to offset the increase in the cost of living. This Department does not have any statistics available from which it can be determined whether the percentage of increase provided by H. R. 5667 exceeds or is less than the determined percentage of increase in the cost of living. For this reason, this Department is not in a position to express an opinion as to the merits of this legislation.

This report has not been cleared through the Bureau of the Budget.

Sincerely yours,

J. M. DONALDSON,
Postmaster General.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 15, 1948.

Hon. EDWARD H. REES,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington 25, D. C.

MY DEAR MR. REES: Reference is made to your request for the views of the Bureau of the Budget regarding the proposal contained in H. R. 5667, a bill to provide additional compensation for postmasters and employees of the postal service.

In reply you are advised that, in view of the position taken by the President on this subject, as set forth in his budget message of January 12, 1948, to the Congress, the enactment of legislation as proposed by this measure would not, at least at this time, be in accord with the program of the President.

Sincerely yours,

FRANK PACE, JR., *Acting Director.*

INCREASES IN POSTAL RATES

SUMMARY OF RATE CHANGES

Under the changes in postal rates provided in title II of the bill there will be no change in the present rates for first-class letter mail, post and postal cards, newspapers, magazines, publications of religious, fraternal, or scientific organizations, or library books.

Air mail will be increased 1 cent and post and postal cards will be carried by air mail at 4 cents each. The regular rate for third-class mail is increased one-half cent for the first 2 ounces. The bulk rate for identical pieces under permit is increased 2 cents a pound with the present minimum of 1 cent per piece retained.

Parcel-post rates which are based upon weight and the eight parcel post zones are increased approximately 28 percent. Revenues from catalogs will be increased by about 50 percent. Books are retained

on a flat rate at 8 cents for the first pound and 4 cents for each additional pound, compared with the present rate of 4 cents for the first pound and 3 cents for each additional pound.

The bill increases rates in the following postal services: Special delivery, money orders, postal notes, registered mail, insured mail, and c. o. d. mail, all of which are presently showing large losses.

The President in his budget messages in 1947 and 1948 has stressed the need for increasing postal rates to meet the large postal deficit presently running at $375,000,000 annually. The Postmaster General on March 23, 1948, recommended to the Congress increases in postal rates which would have raised revenues of $243,970,000. In the opinion of the Committee the rates recommended by the Postmaster General are more in most categories than should be imposed upon the users of the mail at this time.

The rates contained in title II of the bill provide for increases for the substantially lower amount of $124,225,000. There are set forth on the following pages data developed by the cost ascertainment system of the Post Office Department for the fiscal year 1947 pertaining to revenue cost and volume of business handled in the classes of mail and special services for which changes in rates are provided under title II of this bill. There is also contained a schedule showing the present rates and the rate changes which will result upon the enactment of this legislation.

AIR MAIL

The bill will increase domestic air mail to 6 cents an ounce from the present rate of 5 cents an ounce. It will be recalled that air mail was reduced from 8 cents to 5 cents by the Seventy-ninth Congress. Two of the major factors at the time the 5-cent rate was put into effect were (*a*) volume should increase by 100 percent, and (*b*) ton-mile payments to carriers should decrease. Neither of these have come to pass. Volume has increased by only about half of the anticipated increase, while ton-mile costs are going up instead of down. If the present volume were maintained an increase in air-mail postal rates from 5 cents to 6 cents an ounce will result in a 20 percent increase in revenue or approximately $10,000,000. This bill also provides for the carrying of post and postal cards by air mail for 4 cents each. Cost-ascertainment figures indicate the cost of handling air mail is over 7 cents a piece while revenue per piece is 6.37 cents.

THIRD-CLASS MAIL

The data for third-class mail for the fiscal year 1947 are as follows:

Pieces		6, 803, 330, 417
Weight	pounds	483, 208, 658
Average haul	miles	662

	Amount	Average per piece
		Cents
Expenditures	$170, 245, 486	2. 50
Revenue	95, 726, 276	1. 41
Excess of expenditures over revenue	74, 519, 210	1. 09

The present rates and proposed rates for third-class mail are:

	Present rates	Proposed rates
Circulars, other miscellaneous printed matter, and merchandise:		
Regular rate (not in bulk)	1½ cents each 2 ounces	2 cents first 2 ounces, 1 cent each additional ounce.
Bulk rate for identical pieces under permit	12 cents per pound minimum, 1 cent per piece.	14 cents per pound minimum, 1 cent per piece.
Books and catalogs of 24 pages or more and seeds, cuttings, bulbs, roots, scions, and plants:		
Regular rate (not in bulk)	1 cent each 2 ounces	1½ cents each 2 ounces.
Bulk rate for identical pieces under permit	8 cents per pound minimum, 1 cent per piece.	10 cents per pound minimum, 1 cent per piece.

FOURTH-CLASS MAIL

Controlled circulation publications

These are principally trade publications issued at regular intervals of 12 or more times a year, but they are not admitted to the second-class usually because they do not have paid subscriptions. As a rule they are circulated free or mainly free. Such publications weighing in excess of 8 ounces are now admitted to the mails at a special rate of postage, 9 cents a pound with a minimum of 6 cents per piece. No special rate is now provided for such publications weighing 8 ounces or less, and they go through the mails at regular rates provided for third-class mail.

This bill changes the requirement as to frequency of issue to "four or more times a year," and provides a rate of 10 cents a pound with a minimum charge of 1 cent per piece. This rate corresponds to the bulk third-class rate proposed for books, catalogs, seeds, etc. As a matter of this character weighing not over 8 ounces has not previously been included in the subclassification of controlled circulation publications, no complete statistics as to volume and revenue are available. On the average, it may be said that the lighter weight pieces will be carried at the proposed rate at less than cost, while the heavier pieces will approximately pay their way. It would not be logical to fix a rate for the lighter weight pieces which would be above the rate provided for third class.

PARCEL POST

In accordance with title 39 United States Code, section 247—

If the Postmaster General shall find on experience that they or any of them (meaning rates on fourth-class mail matter) are such as to prevent the shipment of articles desirable or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby directed, subject to the consent of the Interstate Commerce Commission after investigation, to re-form from time to time such (fourth-class mail) classifications, weight, limit, rates, zone or zones or conditions or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

The proposed rates for parcel post will place them on a nearly self-sustaining basis.

The section referred to above, title 39 United States Code, section 247, will still remain in effect and it will still be the responsibility of the Postmaster General to make such adjustments in fourth-class mail as increased costs indicate.

FOURTH-CLASS MAIL

Parcel post

Data for fourth-class mail at parcel-post zone rates for the fiscal year 1947 are as follows:

Pieces		936, 418, 134
Weight	pounds	4, 958, 621, 412
Average weight per parcel	pounds	5. 30
Average haul	miles	506

	Amount	Average per piece
		Cents
Expenditures	$263, 041, 746	28. 09
Postage revenue [1]	221, 396, 380	23. 64
Excess of expenditures	41, 645, 366	4. 45

[1] Does not include $947,550 special handling revenue.

The present rates, based on the Revenue Act of 1943, and the proposed rates are:

Zone	First pound		Additional pounds		
	Present	Proposed	Present 2 to 70 pounds	Proposed	
				2 to 10 pounds	11 to 70 pounds
	Cents	*Cents*	*Cents*	*Cents*	*Cents*
Local	8	10	[1] [2] 1	1	0. 75
1 and 2	9	12	[2] 1. 1	2. 1	2
3	10	13	[2] 2	3	2. 8
4	11	14	[2] 3. 5	4. 5	4. 25
5	12	15	[2] 5. 3	6	5. 5
6	13	16	[2] 7	7. 5	7. 25
7	15	17	[2] 9	9. 5	9. 25
8	16	18	[2] 11	11. 5	11. 25

[1] Indicates each additional 2 pounds.
[2] The 1943 Revenue Act increased the postage on each parcel by 3 percent, or 1 cent per parcel, whichever is greater.

Catalogs

This subclass consists of catalogs of 24 pages or more and similar printed advertising matter in bound form weighing more than 8 ounces but not exceeding 10 pounds. Since July 1, 1939, such catalogs and advertising matter have enjoyed rates lower than those for zone rate parcels, which are also fourth class.

Data for fourth-class mail at catalog rates for the fiscal year 1947 are as follows:

Pieces		75, 245, 479
Weight	pounds	129, 576, 588
Average weight per piece	do	1. 72
Average haul	miles	304

	Amount	Average per piece
		Cents
Expenditures	$9, 215, 809	12. 25
Revenue	5, 086, 084	6. 76
Excess of expenditures	4, 129, 725	5. 49

The present and proposed rates are:

Zone	Present rates		Proposed rates	
	First pound	Additional pounds	First pound	Additional pounds
	Cents	*Cents*	*Cents*	*Cents*
Local	5	½	7½	1
1 and 2	5	1	8	1½
3	6	2	9	2
4	7	3	10	2½
5	8	4	12	3
6	9	[1] 5	13	4
7	10	[1] 6	14	5
8	11	[1] 7	15	6

Books

Data for books mailed under paragraph 5, section 572, Postal Laws and Regulations, for the fiscal year 1947 are as follows:

Pieces		43, 462, 677
Weight	pounds	190, 213, 484
Average weight per piece	do	4. 38
Average haul	miles	1, 011

	Amount	Average per piece
		Cents
Expenditures	$11, 787, 785	27. 12
Postage revenue [1]	6, 899, 840	15. 88
Excess of expenditures	4, 887, 945	11. 24

[1] Does not include $43,458 special-handling revenue.

The present and proposed postage rates on books, regardless of the zone of destination, are:

	Basic rate	Present rate under 1943 Revenue Act	Proposed rate
	Cents	*Cents*	*Cents*
First pound	3	[1] 4	8
Each additional pound	3	[1] 3	4

[1] Postage on each parcel increased over basic rate by 3 percent or 1 cent, whichever is greater.

Parcel post rates are in practice applied to book shipments when lower than the rates appearing in the above schedule.

Cost ascertainment has determined that nonlocal shipments of books are transported an average of 1,067 miles, as compared with an average of 658 miles for fourth-class mail as a whole. Under the flat, unzoned rate there has been a tendency for shippers of books to mail their long-haul, heavy-weight parcels, and to utilize other transportation media for short-haul shipments on which the Postal Service might realize a profit.

SPECIAL HANDLING

Data for special-handling service for the fiscal year 1947 are as follows:

Number of transactions	6, 322, 343
Revenue	$991, 008
Average fee—cents	15. 67

No separate ascertainment is made of the cost of special-handling service, the expense of this service being included in the total costs of fourth-class mail.

The present fees for special-handling service and a proposed schedule designed to produce $600,000 additional revenue, based on the volume of business handled in 1947, follows:

	Present charge	Proposed charge
	Cents	*Cents*
Up to 2 pounds	10	15
Over 2 pounds up to 10 pounds	15	20
Over 10 pounds	20	25

SPECIAL DELIVERY

Data for special-delivery service for the fiscal year 1947 are as follows:

Number of transactions 103, 597, 359

	Amount	Average per transaction
		Cents
Expenditures	$28, 876, 327	27. 87
Revenue	15, 658, 898	15. 12
Excess of expenditures	13, 217, 429	12. 75

Below are compared the present rates with those proposed:

FIRST-CLASS MAIL

	Present fees	Proposed fees
	Cents	*Cents*
Up to 2 pounds	13	15
Over 2, to 10 pounds	20	25
Over 10 pounds	25	35

SECOND, THIRD, AND FOURTH CLASS

	Cents	Cents
Up to 2 pounds	17	25
Over 2, to 10 pounds	25	35
Over 10 pounds	35	45

MONEY ORDERS

Data for the money-order service for the fiscal year 1947 are as follows:

Number of money orders issued:	
Domestic	282, 701, 930
International	1, 129, 482
Total issued	283, 831, 412

	Amount	Average per order
		Cents
Expenditures	$64, 596, 555	22. 76
Revenue	31, 719, 323	11. 18
Excess of expenditures	32, 877, 232	11. 58

The present and proposed fees are:

Amount of money order	Present fee		Proposed fee
	Cents		Cents
From $0.01 to $2.50	6		10
From $2.51 to $5	8		
From $5.01 to $10	11		15
From $10.01 to $20	13		
From $20.01 to $40	15	$10.01 to $50	25
From $40.01 to $60	18		
From $60.01 to $80	20		
From $80.01 to $100	22	$50.01 to $100	35

POSTAL NOTES

Data for the postal-note service for the fiscal year 1947 are as follows:

Number of postal notes issued	54, 975, 240

	Amount	Average per unit
		Cents
Expenditures	$6, 608, 397	12. 02
Revenue	2, 748, 762	5. 00
Excess of expenditures	3, 859, 635	7. 02

If increases in the level of postal costs experienced since June 30, 1947, and other increases in prospect during the fiscal year 1948 had been included in the costs for the fiscal year 1947, the expenditures for the postal-note service would have amounted to about $8,000,000, exceeding related revenues by $5,250,000.

The present fee for issuing a postal note is 5 cents. It is proposed that this fee be increased to 8 cents to produce $1,650,000 additional revenue, based on the number of postal notes issued in 1947.

REGISTRY

Data for paid registered mail for the fiscal year 1947 are as follows:

	Articles registered	Return receipts
Number of paid articles:		
Domestic	[1] 69,270,260	26,504,696
Foreign	4,383,207	514,265
Total	73,653,467	27,018,961

[1] Includes 1,246,432 insured articles treated as registered mail.

	Amount	Average per article registered
		Cents
Expenditures	$33,224,216	45.11
Revenue	23,184,096	31.48
Excess of revenue	10,040,120	13.63

The present and proposed registry fees are:

Limit of indemnity	Basic fees	Fees as increased by 1943 Revenue Act	Proposed fees
$0.01 to $5	$0.15	$0.20	$0.25
$5.01 to $25	.18	.25	.35
$25.01 to $50	.20	.25	.40
$50.01 to $75	.25	.35	.45
$75.01 to $100	.30	.40	.50
$100.01 to $200	.40	.55	.60
$200.01 to $300	.50	.65	.70
$300.01 to $400	.60	.80	.85
$400.01 to $500	.70	.95	1.00
$500.01 to $600	.80	1.05	1.10
$600.01 to $700	.85	1.15	1.20
$700.01 to $800	.90	1.20	1.30
$800.01 to $900	.95	1.25	1.40
$900.01 to $1,000	1.00	1.35	1.50

REGISTRY SURCHARGES

Excess of declared value over indemnity covered by registry fee	Basic surcharge	Surcharge under 1943 Revenue Act	Proposed surcharge
Not more than $50	$0.01	$0.02	$0.02
Not more than $100	.02	.03	.03
Not more than $200	.03	.04	.04
Not more than $400	.04	.06	.06
Not more than $600	.05	.07	.07
Not more than $800	.06	.08	.08
Not more than $1,000	.07	.10	.10

When excess of declared value over maximum indemnity covered by registry fee paid is $1,000 or more, the surcharges for each $1,000 of such excess, or part thereof, are:

	Basic surcharge	Surcharge under 1943 Revenue Act	Proposed surcharge
	Cents	*Cents*	*Cents*
Local delivery and first zone	8	11	11
Zone 2	9	12	12
Zone 3	10	14	14
Zone 4	11	15	15
Zones 5 and 6	12	16	16
Zones 7 and 8	13	18	18

INSURANCE

Data for insurance service for the fiscal year 1947 are as follows:

	Articles insured	Return receipts
Number of insured articles:		
Domestic	159,390,750	895,939
Foreign	507,604	7,119
Total	159,898,354	903,058

	Amount	Average per article insured
		Cents
Expenditures	$17,121,429	10.71
Revenue	12,755,601	7.98
Excess of expenditures	4,365,828	2.73

Present and proposed fees are set forth below:

Indemnity limit	Present rates	Proposed fees
	Cents	*Cents*
$0.01 to $5	3	5
$5.01 to $25	10 { $5.01 to $10	10
	{ $10.01 to $25	15
$25.01 to $50	15	20
$50.01 to $200	25 { $50.01 to $100	25
	{ $100.01 to $200	30
Return receipts for insured mail:		
Requested at time of mailing	4	5
Requested subsequent to mailing	7	10
Showing address where delivered	31	31

COLLECT-ON-DELIVERY SERVICE

Data for c. o. d. service for the fiscal year 1947 are as follows:

Number of transactions:	
Domestic	65,634,619
Foreign	21,372
Total	65,655,991

	Amount	Average per unit
		Cents
Expenditures	$21,972,256	33.47
Revenue	15,965,479	24.32
Excess of expenditures	6,006,777	9.15

The present and proposed fees are:

Indemnity limit	Present fee	Proposed fee
	Cents	*Cents*
$0.01 to $2.50	15	20
$2.51 to $5	20	25
$5.01 to $25	30	35
$25.01 to $50	40	45
$50.01 to $100	50	55
$100.01 to $150	55	60
$150.01 to $200	60	65

REGISTERED COLLECT-ON-DELIVERY MAIL

Registered sealed domestic mail of any class bearing postage at the first-class rate may be sent collect-on-delivery. The present fees and those proposed in this bill are:

Amount collectible and indemnity payable	Present rate, including registration	Proposed rate, including registration
From $0.01 to $10	$0.40	$0.55
From $10.01 to $50	.55	.70
From $50.01 to $100	.75	.90
From $100.01 to $200	1.00	1.15

The maximum amount of charges collectible on any domestic registered collect-on-delivery article is now $200 and the bill continues this provision. However, indemnity up to $1,000 is provided for. The present and proposed fees for such service are:

Amount of indemnity	Present rate, including registration	Proposed rate, including registration
From $200.01 to $300	$10.05	$1.20
From $300.01 to $400	1.10	1.25
From $400.01 to $500	1.15	1.30
From $500.01 to $600	1.20	1.35
From $600.01 to $700	1.25	1.40
From $700.01 to $800	1.30	1.45
From $800.01 to $1,000	1.40	1.55

EFFECTIVE DATE

The rates in title II will be effective the first day of the second calendar month following the calendar month in which it is enacted.

SUPPLEMENTAL REPORT ON H. R. 6916

The signers of this statement are supporting H. R. 6916 with considerable reluctance. It is our conviction that it represents the only instrument by which the postal employees can secure any pay raise whatsoever at this time.

We believe that the pay raise should have been made retroactive to the first date when negotiations were well under way. For some months postal employees have been working under the impression that they would secure a raise. The situation is highly analogous to a settlement of wages by arbitration in private industry, and therefore, the raise should be retroactive.

We are most vigorously opposed to the idea of tying wage and salary increases to rate increases. The salaries of postal employees should not now or ever be determined by the income, surplus, or deficit of the Post Office Department. The Post Office Department is the administrative agency of a great governmental service and a medium through which huge subsidies are paid; and therefore its financial condition should not be a factor in determining wages or salaries. The employees of the Post Office Department should be compensated on no other consideration than for services rendered.

Furthermore, we are not at all sure that the rate increases proposed by H. R. 6916 are proper. These rate changes were originally agreed to on evidence that is now out of date and which was not too accurate when presented. We know, that the anticipated deficit 12, 14, or 16 months ago did not take into account important free services rendered by the Post Office Department which should not properly have been included in the estimates of expected deficits.

We know also that the volume of mail is much greater than was anticipated. For these and other reasons we have grave doubts about the wisdom of the rate changes proposed in H. R. 6916.

We regard H. R. 6916 simply as the best that can be done under the circumstances and therefore we will support it with the sincere hope that its shortcomings will be rectified when time permits. To that end we pledge our efforts.

Nothing herein contained should be regarded as any reflection of the chairman or any member of the Post Office and Civil Service Committee or the leadership of the House. We have adequate reason to know that they all did the best that could be done.

June 15, 1948.

Robert J. Corbett.
Harold C. Hagen.
Robert J. Twyman.

MINORITY REPORT ON H. R. 6916 AND H. R. 6917

The undersigned Members find it necessary to submit a minority report. We do this not for the purpose of discussing the provisions of the bill but rather in protest at the procedures under which they are brought before the House.

We think it is a basic principle that legislation submitted by a committee should reflect the combined opinion and considered judgment of the majority of the committee. Orderly legislative procedure is best served if important measures are first submitted to the committee for study and report and then to the House for full and fair consideration. H. R. 6916 and H. R. 6917 utterly fail to meet these requirements. As you will observe they are both new bills introduced on Monday of this week and in their present form they are not the result of orderly committee action, nor will the House have opportunity to give them the consideration that measures of such importance should receive. To put it bluntly, in bringing these measures before the House the Committee on Post Office and Civil Service has been used as a mere conduit to carry out a mandate of the policy committee of the majority party.

In April of this year the Committee on Post Office and Civil Service, after extended hearings, reported out H. R. 5667 providing pay raises for postal employees and H. R. 5472 providing for pay raises for other Government employees in the classified service. Those bills, although not satisfactory to every member of the committee in all respects nevertheless represented the oncensus of opinion of the committee. The Rules Committee has not seen fit to grant a rule on those bills. Previously, in May 1947, the committee reported out a bill proposing certain revisions of postal rates. That bill has never been granted a rule although it has been before the Rules Committee for more than 1 year.

On Monday of this week, June 14, the members of our committee were informed that the policy committee of the majority party had issued a virtual ultimatum which, in substance, was that no salary increase bills for Federal employees would be taken up for consideration unless the committee should report out two new bills reducing the proposed amount of the raise in the case of postal employees from $585 to $450 and in the case of other Federal employees from $468 to $360. It was further required that the postal rate bill, with certain provisions relating to second-class mail eliminated, should be incorporated in the postal employees pay bill.

These are the bills that are to be considered by the House under a closed rule which admits of no amendment of the bills.

Thus, H. R. 6916 containing the matter of postal rates incorporated into the postal employees pay-raise bill subjects the bill to a cross-fire of the opponents and proponents of those respective but unrelated matters. Both are of great importance and deserve the separate consideration of the House.

But due to the action of a few who compose the policy committee of the majority party the House will be denied the privilege of so considering these important bills. Consequently, not only have the wishes of the Committee on Post Office and Civil Service been completely ignored but the House membership itself has been denied the right of adequate and proper consideration. Yet we were told it is this or else.

Since, under the ultimatum which brought these measures before the House, they must either be rejected or accepted as is, we cannot oppose them without harm to hundreds of thousands of employees of the Government whose salaries reduced by high living costs no longer meet the necessities of daily living.

JOHN LYLE.
JAS. H. MORRISON.
GEO. P. MILLER.
J. M. COMBS.
CARL ALBERT.
LAURIE C. BATTLE.
JAS. C. DAVIS.
JOHN BELL WILLIAMS.
JOHN A. WHITAKER.

Union Calendar No. 1170

80TH CONGRESS
2D SESSION

H. R. 6916

[Report No. 2358]

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1948

Mr. REES introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JUNE 15, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

To provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Postal Rate Revision and Salary Act of 1948".

TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT

SEC. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed

by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: *Provided,* That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further,* That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

SEC. 102. The provisions of this Act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 103. This title shall take effect as of July 1, 1948.

TITLE II—POSTAL RATE REVISION

AIR MAIL

SEC. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall, except in the case of postal cards and private mailing or post cards, be 6 cents for each ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to

use of postal cards", approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

THIRD-CLASS MAIL

SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 1½ cents for each two ounces or fraction thereof: *Provided*, That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that

in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 203. Publications containing twenty-four pages or more issued at regular intervals of four or more times a year, 25 per centum or more of whose pages are devoted to text or reading matter and not more than 75 per centum to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: *Provided*, That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or

calling of those who own or control them shall not be accepted under this section.

FOURTH-CLASS (PARCEL POST) MAIL

SEC. 204. (a) On fourth-class matter (limit of weight over eight ounces to seventy pounds) the rate of postage except as herein provided for catalogs (limit of weight over eight ounces up to and including ten pounds), books, and library books, shall be by the pound as hereinafter provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof; 1 cent for each additional pound or fraction thereof up to and including ten pounds, and $\frac{3}{4}$ cent for each pound or fraction thereof exceeding ten pounds.

(2) For delivery within the first and second zones;

except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2⅒ cents for each additional pound or fraction thereof up to and including ten pounds, and 2 cents for each pound or fraction thereof exceeding ten pounds.

(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including ten pounds, and 2⅘ cents for each pound or fraction thereof exceeding ten pounds.

(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including ten pounds, and 4¼ cents for each pound or fraction thereof exceeding ten pounds.

(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5½ cents for each pound or fraction thereof exceeding ten pounds.

(6) For delivery within the sixth zone, 16 cents

for the first pound or fraction thereof, $7\frac{1}{2}$ cents for each additional pound or fraction thereof up to and including ten pounds, and $7\frac{1}{4}$ cents for each pound or fraction thereof exceeding ten pounds.

(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, $9\frac{1}{2}$ cents for each additional pound or fraction thereof up to and including ten pounds, and $9\frac{1}{4}$ cents for each pound or fraction thereof exceeding ten pounds.

(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, $11\frac{1}{2}$ cents for each additional pound or fraction thereof up to and including ten pounds, and $11\frac{1}{4}$ cents for each pound or fraction thereof exceeding ten pounds.

(9) On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other

point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be $7\frac{1}{2}$ cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and $1\frac{1}{2}$ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and $2\frac{1}{2}$ cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, 13 cents for

the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding seventy pounds in weight, may be sent at the postage rate of 8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organiza-

tions, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: *Provided,* That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, 15 cents; matter weighing more than two but not more than ten pounds, 20 cents; matter weighing more than ten pounds, 25 cents: *Provided,* That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equiv-

alent value may be accepted in lieu of the special-handling stamps herein specified.

SPECIAL DELIVERY

SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents: *Provided,* That, under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

MONEY ORDERS

SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows: For orders less than $5 and 1 cent, 10 cents; for orders from $5 and 1 cent up to and including $10, 15 cents; for orders from $10 and 1 cent up to and including

$50, 25 cents; for orders from $50 and 1 cent up to and including $100, 35 cents.

POSTAL NOTES

SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for issuance thereof shall be 8 cents each.

(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue, but thereafter may be paid by the Postmaster General or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: *Provided*, That no claim for the amount of a postal note will be considered unless filed within one year from the last day of the month of issue. Postal notes shall not be negotiable or transferable through endorsement.

REGISTERED MAIL

SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry

indemnity exceeding $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemnity exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $800, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $600, 7 cents; by more than $600 but not more than $800, 8 cents; by

more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more, the additional fee for each $1,000

or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 8 cents; for delivery within the second zone, 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered,

which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR INSURED MAIL

SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50 but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided,* That upon payment of the additional sum of 26 cents at the

time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceeding $200. The fee for notifying the sender or his repre-

sentative of inability to deliver a collect-on-delivery article shall be 5 cents.

RESTRICTION IN DELIVERY

SEC. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided*, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or non-delivery of the article or articles was due to some fault of the postal service.

REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum

amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.

(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.

SEC. 214. This title shall take effect on the first day of the second calendar month following the calendar month in which it is enacted.

Union Calendar No. 1170

80TH CONGRESS
2D SESSION

H. R. 6916

[Report No. 2358]

A BILL

To provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

By Mr. REES

JUNE 14, 1948

Referred to the Committee on Post Office and Civil Service

JUNE 15, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2353

PROVIDING A TEMPORARY INCREASE IN THE COMPENSATION OF OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT AND THE DISTRICT OF COLUMBIA MUNICIPAL GOVERNMENT

JUNE 15, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. REES, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H. R. 6917]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 6917), to provide a temporary increase in the compensation of officers and employees of the Federal Government and the District of Columbia municipal government, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

The proposed legislation provides a temporary increase of $360 per annum in the compensation of Federal employees in various pay classification groups subject to the Federal Employees' Pay Act of 1946, including civilian employees of the executive departments and agencies in positions under the Classification Act of 1923, as amended, and other statutes, as well as employees of the District of Columbia government subject to the Classification Act, and employees of the legislative and judicial branches. For those employees who are paid on an hourly or part-time basis, the additional temporary compensation is at the rate of 20 cents per hour, which is commensurate with the $360 per annum increase.

The bill does not affect the basic compensation of any officer or employee coming within its provisions. Its sole purpose is to provide additional compensation for a temporary period as an aid to Government personnel in meeting the increased cost of living.

Based upon figures submitted by the Civil Service Commission and the Bureau of the Budget, the total cost of the bill will be approximately $324,000,000, and will provide temporary salary increases for approximately 900,000 Federal employees.

The committee devoted much study to this problem and hearings lasted from February 25 to March 17, 1948. Testimony presented by the Federal employees' groups, including the American Federation of Government Employees, the National Federation of Federal Employees, and the United Public Workers of America, emphasized the necessity for an immediate increase in the salaries of Federal employees because of the increased cost of living since July 1946. According to the Bureau of Labor Statistics, the present cost-of-living index is 167.5, as compared with an index of 100 in 1939, or an increase of 67.5 percent since 1939.

Federal employees whose salaries are increased under the provisions of this bill have received two permanent salary increases under prior legislation. An average increase of 17.4 percent was provided under the Federal Employees' Pay Act of 1945, and under the Federal Employees' Pay Act of 1946 these employees were granted an additional permanent general average increase of 14 percent.

Information furnished the committee by the Civil Service Commission shows that these two pay acts have resulted in an over-all increase of 31.4 percent in the basic annual rates of compensation for these Federal employees since 1944.

In December 1944, the average annual salary of Federal employees under the Classification Act of 1923, as amended, was $2,018 per annum. In July 1947, the average annual salary was $3,006, or an increase of 49 percent during the past 2½ years. As shown above, the average salary increases resulting from legislation were about 31 percent. Thus, up-grading, reclassifications, and within-grade promotions have accounted for an additional 18-percent increase in the average annual salaries of these Federal employees.

On the basis of this information, the committee believed that a pay raise of $360 per annum would be ample additional compensation to meet the cost-of-living increase since 1939.

Inasmuch as the salary increases provided for under this bill will be in effect from July 1, 1948, to June 30, 1949, the committee provided in section 2 (a) that retirement deductions shall not be taken from this temporary salary increase because such temporary increase is primarily designed to offset the rising cost of living.

Representatives of the Civil Service Commission and the Bureau of the Budget presented testimony to the committee. In general, these witnesses stated that in view of the fact that the President's budget message did not include provision for increases in the salaries of Federal employees, they could not at this time recommend such increases.

Representatives of the Civil Service Commission and the Bureau of the Budget offered the committee a proposal for an extensive revision of the Classification Act of 1923, as amended. The recommendations of the Commission were supported by the Bureau of the Budget and are as follows:

The Classification Act of 1923 should be completely revised: (1) To provide for the establishment of compensation schedules by grades only instead of by both service and grades; (2) to place upon the Civil Service Commission the responsibility for the development of standards under which jobs are to be classified with the requirement that the heads of the departments and agencies shall classify the jobs in accordance with such standards subject to a sample post audit by the Civil Service Commission; and (3) to set forth clearly the features which are to be taken into consideration in classifying positions under the Classification Act of 1923, as amended.

For some time the committee has been impressed with the necessity for a complete revision and modernization of the Classification Act of 1923, and has requested the executive branch to provide the committee with its recommendations along this line. The committee is pleased to receive the recommendations of the Commission, but believes that more study is necessary to give adequate consideration to the proposals which have been submitted. In the short time which was devoted to this problem, the ramifications of such an extensive revision of the Classification Act could not have been properly explored. The temporary nature of the proposed legislation will give the committee sufficient time to study the recommendations of the President and the Civil Service Commission. This study, together with the committee's recommendations, should be completed before the expiration date of this bill.

The Civil Service Commission, and Bureau of the Budget have furnished the committee with reports concerning a similar bill. These reports are as follows:

UNITED STATES CIVIL SERVICE COMMISSION
Washington 25, D. C., April 9, 1948.

Hon. EDWARD H. REES,
Chairman, Committee on Post Office and Civil Service,
United States House of Representatives.

DEAR MR. REES: Further reference is made to your letter of February 21, 1948, requesting the Commission's views with respect to H. R. 5472, a bill to provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

H. R. 5472 would provide temporary additional compensation at the rate of $480 per annum for several groups of civilian employees of the Federal Government and the municipal government of the District of Columbia. These groups are identified as those whose present compensation is fixed by the Federal Employees Pay Act of 1946 and the Postal Pay Acts of 1945 and 1946.

Basically, this is a cost-of-living pay-increase bill. The recent and rapid increase in living costs has adversely affected the purchasing power not only of the employees covered by this bill but also military personnel and others who have fixed-dollar incomes. With respect to any contemplated program of offsetting the rise in living costs as it affects all the groups involved, the President said in his budget message of January 12, 1948, that the large expenditure necessary "would add greatly to the inflationary pressures in our economy." In this budget message, the President continued "The wiser approach, which I have proposed to the Congress, is to enact a comprehensive program to hold living costs down. Enactment of that program will give relief not only to Federal personnel and annuitants, but to our citizens generally. In the event that the Congress does not provide controls adequate for this purpose, I may have to recommend further adjustments in pay and benefit rates." Under this policy, the Commission is not in favor of the increase set forth in H. R. 5472.

Moreover, we are opposed to the method of pay adjustment indicated in the bill.

So far as annual salaries under the Federal Employees Pay Act of 1946 are concerned, the method of pay adjustment used in H. R. 5472 is in the nature of what the President characterized in his message of March 2, 1948, to the Congress as a "patchwork amendment to the Classification Act."

Previous legislation has seriously disturbed the internal consistency and equity within the Classification Act pay schedules, first, by increasing the lower brackets out of proportion to the increase in the higher brackets, and, second, by establishing a $10,000 salary ceiling. In the face of this situation, it would not be desirable to enact a flat increase on top of each rate of the existing schedules.

A much better method would be to reconstruct the salary scales of the Classification Act of 1923, as amended, so as to simplify the administration and understanding of that act and restore pay relationships that are consistent with the relationships of difficulty and responsibility of work at the various levels.

The major features of the kind of revision of the Classification Act which the Commission has in mind have been set forth recently in the Commission's Sixty-

fourth Annual Report. The Commission would be glad to offer specific suggestions to the committee along these lines and to discuss them with the committee at your convenience.

On the basis of both the policy and the method indicated in H. R. 5472, the Commission does not recommend favorable action thereon.

We have been advised by the Bureau of the Budget that, in view of the position taken by the President in his budget message of January 12, 1948, to the Congress, the enactment of legislation as proposed by this measure would not, at least at this time, be in accord with the program of the President.

By direction of the Commission.

Sincerely yours,

HARRY B. MITCHELL, *President.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., March 16, 1948.

Hon. EDWARD H. REES,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington 25, D. C.

MY DEAR MR. REES: Reference is made to your letter of February 21, 1948, requesting the views of the Bureau of the Budget regarding the proposal contained in H. R. 5472, a bill to provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

In reply, you are advised that, in view of the position taken by the President on this subject, as set forth in his budget message of January 12, 1948, to the Congress, the enactment of legislation as proposed by this measure would not, at least at this time, be in accord with the program of the President.

Sincerely yours,

JAMES E. WEBB, *Director*

MINORITY REPORT ON H. R. 6916 AND 6917

The undersigned Members find it neeessary to submit a minority report. We do this not for the purpose of diseussing the provisions of the bill but rather in protest at the proeedures under whieh they are brought before the House.

We think it is a basic principle that legislation submitted by a committee should reflect the combined opinion and eonsidered judgment of the majority of the eommittee. Orderly legislative procedure is best served if important measures are first submitted to the eommittee for study and report and then to the House for full and fair eonsideration. H. R. 6916 and 6917 utterly fail to meet these requirements. As you will observe they are both new bills introduced on Monday of this week and in their present form they are not the result of orderly eommittee action, nor will the House have opportunity to give them the consideration that measures of such importance should receive. To put it bluntly, in bringing these measures before the House the Committee on Post Offiee and Civil Serviee has been used as a mere eonduit to earry out a mandate of the policy eommittee of the majority party.

In April of this year the Committee on Post Offiee and Civil Service, after extended hearings, reported out H. R. 5667 providing pay raises for postal employees and H. R. 5472 providing for pay raises for other Government employees in the elassified serviee. Those bills, although not satisfaetory to every member of the eommittee in all respects nevertheless represented the eonsensus of opinion of the eommittee. The Rules Committee has not seen fit to grant a rule on those bills. Previously, in May 1947, the eommittee reported out a bill proposing eertain revisions of postal rates. That bill has never been granted a rule although it has been before the Rules Committee for more than 1 year.

On Monday of this week, June 14, the members of our eommittee were informed that the poliey eommittee of the majority party had issued a virtual ultimatum whieh, in substance, was that no salary inerease bills for Federal employees would be taken up for eonsideration unless the eommittee should report out two new bills reducing the proposed amount of the raise in the ease of postal employees from $585 to $450 and in the ease of other Federal employees from $468 to $360. It was further required that the postal-rate bill, with eertain provisions relating to seeond-elass mail eliminated, should be incorporated in the postal employees pay bill.

These are the bills that are to be eonsidered by the House under a elosed rule which admits of no amendment of the bills.

Thus, H. R. 6916 containing the matter of postal rates incorporated into the postal employees pay-raise bill subjeets the bill to a eross-fire of the opponents and proponents of those respeetive but unrelated matters. Both are of great importanee and deserve the separate consideration of the House.

But due to the action of a few who compose the policy committee of the majority party the House will be denied the privilege of so considering these important bills. Consequently, not only have the wishes of the Committee on Post Office and Civil Service been completely ignored but the House membership itself has been denied the right of adequate and proper consideration. Yet we were told it is this or else.

Since, under the ultimatum which brought these measures before the House, they must either be rejected or accepted as is. We cannot oppose them without harm to hundreds of thousands of employees of the Government whose salaries reduced by high living costs no longer meet the necessities of daily living.

JOHN LYLE.
JAS H. MORRISON.
GEO P. MILLER.
J. M. COMBS.
CARL ALBERT.
LAURIE C. BATTLE.
JAS C. DAVIS.
JOHN BELL WILLIAMS.
JOHN A. WHITAKER.

○

Union Calendar No. 1165

80TH CONGRESS
2D SESSION

H. R. 6917

[Report No. 2353]

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 1948

Mr. REES introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JUNE 15, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as provided in section 3, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees' Pay Act of 1946 shall receive additional compensation at the rate of $360 per annum: *Provided,* That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 20 cents per hour.

SEC. 2. (a) The additional compensation provided by this Act shall not be considered a part of the basic compensation of any officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended.

(b) The additional compensation provided by this Act in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

SEC. 3. No officer or employee shall, by reason of the enactment of the first section of this Act, be paid with respect to any pay period, basic compensation, plus any additional compensation, at a rate in excess of $10,000 per annum.

SEC. 4. (a) This Act shall take effect as of July 1, 1948.

(b) This Act shall not be in effect on and after July 1, 1949.

Union Calendar No. 1165

80TH CONGRESS
2D SESSION

H. R. 6917

[Report No. 2353]

A BILL

To provide a temporary increase in the compensation of officers and employees of the Federal Government and of the District of Columbia municipal government.

By Mr. REES

JUNE 14, 1948

Referred to the Committee on Post Office and Civil Service

JUNE 15, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

80TH CONGRESS
2D SESSION

S. 1537

IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 15), 1948
Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. TAFT to the bill (S. 1537) to increase the rate of compensation of heads and assistant heads of executive departments and of other officers, viz:

On page 26, line 6, strike out "and".

On page 26, line 6, after the word "Printer," insert the following: "and (8) the General Counsel of the National Labor Relations Board,".

6-17-48——C

80TH CONGRESS
2D SESSION

S. 1537

AMENDMENTS

Intended to be proposed by Mr. TAFT to the bill (S. 1537) to increase the rate of compensation of heads and assistant heads of executive departments and of other officers.

JUNE 17 (legislative day, JUNE 15), 1948
Ordered to lie on the table and to be printed

18. HOUSING. Passed, 318-90, as reported H. R. 6959, the housing bill, without the rural-housing title (pp. 9022-47).

19. SELECTIVE SERVICE. Passed, 283-130, with amendments S. 2655, the selective-service bill (pp. 8986-8). Conferees were appointed (p. 8988).

20. ARMY MILITARY APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6771 (p. 8986).

21. DISPLACED PERSONS. Agreed to the conference report on S. 2242, to permit entry of 200,000 displaced persons into the U. S., of whom at least 30% must be farm workers (pp. 9004-13).

22. INTERIOR APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6705 (pp. 8998-9).

23. FOOD AND DRUG ADMINISTRATION. Agreed to the conference report on H. R. 4071, to increase the powers of this agency regarding seizures of foods, etc. (pp. 8996-7). This bill will now be sent to the President.

24. FOREIGN RELIEF. Passed as reported S. 2376, to provide a revolving fund for purchase of agricultural commodities and raw materials to be processed in occupied areas and sold (pp. 9078-81).

25. WATER POLLUTION. Agreed to the conference report on S. 418, to provide for water-pollution control through the Public Health Service (p. 9013).

26. RECLAMATION. Concurred in the Senate amendment to H. R. 3218, authorizing an emergency fund for the Bureau of Reclamation to assure continuous operation of its projects (p. 9015). This bill will now be sent to the President.

27. POSTAL RATES. Passed as reported H. R. 6916, to provide for permanent postal rates and additional compensation for certain P. O. employees (pp. 9052-66).

28. SUPPLEMENTAL INDEPENDENT OFFICES APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6829 (p. 9073).

29. AGRICULTURE INVESTIGATIONS. Agreed, without amendment, to H. Res. 676, providing $5,000 for the AgricultureCommittee (p. 9086).

30. COMMODITY-EXCHANGE INVESTIGATION. Agreed, without amendment, to H. Res. 674, providing $10,000 for the Andresen Committee (p. 9086).

31. VIRGIN ISLANDS. Passed, 132-9, as reported H. R. 5904, to incorporate the Virgin Islands Corporation (pp. 9087-91).

32. RECLAMATION. Agreed to the conference report on H. R. 5416, to promote the interest of the Fort Hall Indian irrigation project, Idaho (p. 9103).

33. COMMODITY SPECULATION. Rep. Rankin, Miss., discussed the charges against Linder, MacDonald, and Harris (p. 9105).

34. FOREST LANDS. The Public Lands Committee reported without amendment S. 580, to transfer certain O&C lands from the Forest Service to the Interior Department. (H. Rept. 2413)(p. 9107).

35. PERSONNEL; ECONOMY. The Post Office and Civil Service Committee submitted a

report on the relation of new functions of the departments and agencies to increased civilian employment in the executive branch (H. Rept. 2412)(p.9107).

36. DISASTER RELIEF. Passed S. 2877, providing $10,000,000 additional authority for disaster loans by RFC (p. 9092). The Senate version would have provided $20,000,000 additional.

SENATE - June 19

37. SELECTIVE SERVICE. Both Houses agreed to the conference report on S. 2655, the selective-service bill; the House vote was 259-136 (pp. 9137-71, 9357-81). This bill will now be sent to the President.

38. INTERIOR APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 6705 (pp. 9171-3). This bill will now be sent to the President.

39. CCC CHARTER. Conferees on this bill, S. 1322, were appointed in both Houses (pp. 9173-5, 9376-7).

40. WATER POLLUTION. Agreed to the conference report on S. 418, to provide for water-pollution control through the Public Health Service (p. 9175). This bill will now be sent to the President.

41. DISPLACED PERSONS. Agreed to the conference report on S. 2242, to permit entry of displaced persons into the U. S. (pp. 9176-88, 9190-6). This bill will now be sent to the President.

42. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 6481, and acted on disagreement amendments (pp. 9177, 9188-90, 9263, 9339-53). This bill will now be sent to the President. As finally passed, the bill includes changes as follows: Authorizes payment by the Federal intermediate credit banks to FCA of not over $330,000 (House, $373,600; Senate, $223,600). Authorizes not over $1,500,000 for administrative expenses of the production credit corporations (Senate figure; House, $1,350,000). Provides that the production credit corporations shall return Government capital of at least $30,000,000 (House, $60,000,000; Senate, $20,000,000), and that such capital be carried to the surplus fund of the Treasury instedd of being returned to the corporations revolving fund, as proposed by the Senate. Authorizes not over $146,800 for RACC administrative expenses (Senate figure; House, $46,800). Authorizes payment by RACC to FCA of not over $21,000 (Senate figure; House, $12,500). Does not include the Senate provision for a $12,000 salary for the FCA Governor. Retains the fur-farmer loan provision in modified form. Strikes out TVA steam-plant provision.

43. VIRGIN ISLANDS. Conferees were appointed, in both Houses, on H. R. 5904, to incorporate the Virgin Islands Corporation (pp. 9182, 9378).

44. SECOND DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H. R. 6935 (pp. 9217-26). Conferees were appointed in both Houses (pp. 9226,9353). In addition to the committee amendments, agreed to an amendment by Sen. Murray, Mont. (for himself and Sens. Hill and Ball), to provide $450,000 additional for administrative expenses of REA (pp. 9222-3).

45. INDEPENDENT OFFICES SUPPLEMENTAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 6829 (pp. 9264, 9353-5). This bill will now be sent to the President. The conferees elininated the Senate amendment

typically American. HAROLD KNUTSON is a living example of the opportunities that awaited a poor immigrant boy who had the determination, the ambition, and the perseverance to forge ahead in the land of equal opportunity for all.

During his long years of service in the House of Representatives he has represented his people and the people of America faithfully and well. He has served them in many and varied capacities. He has previously served as chairman of two other committees of the House of Representatives. All of that service today is climaxed by his chairmanship of the Committee on Ways and Means. As our beloved friend and fellow Member from New York, the Honorable DANIEL A. REED, has pointed out, the chairmanship of the Ways and Means Committee has provided outstanding Americans for service in almost every capacity in the administrative branch of our Government, including six Presidents of these United States. That chairmanship was never in abler hands than it is in the person of Mr. KNUTSON.

It is so fitting and so representative of the unanimity and the nonpartisanship with which problems are approached by that committee that the resolution expressing the tribute of the members of the committee should have been brought forward by the Honorable ROBERT L. DOUGHTON, of North Carolina, the ranking minority member, who himself served so illustriously as chairman of this committee for many, many years.

Twenty-four members of the Committee on Ways and Means serving under our beloved chairman, Mr. KNUTSON, are as one man in wishing for him a long and happy life, and in wishing for the people of America many, many more years of his valiant and illustrious service in the Congress of the United States.

CHAIRMAN HAROLD KNUTSON IS A GREAT AMERICAN

Mr. CURTIS. Mr. Speaker, a resolution has been presented which reflects the sentiments of every member of the House Committee on Ways and Means. May I say that I believe that our beloved chairman, the Honorable HAROLD KNUTSON, merits every tribute expressed therein.

The story of the life of HAROLD KNUTSON is typical of the American way. He came to this country as a boy from Norway. By hard work, determination, thrift, endurance, and perseverance he made a success in business. In addition, he has served his country in the Halls of Congress for all these many years. It is fitting that he should occupy one of the most powerful positions in the Congress of the United States.

Mr. KNUTSON espouses a philosophy that brings hope to every young American. He believes in a government that permits an individual to prepare himself, work, earn, save, and achieve. This philosophy is the hope for the young man who makes his own way. It is the ladder by which he can climb to success. It is the American way. Our beloved chairman is one of the foremost champions of that way.

Mr. DOUGHTON. Mr. Speaker, the following is a statement made by me in presenting a resolution to the Committee on Ways and Means in honor of the gentleman from Minnesota, Hon. HAROLD KNUTSON, which was unanimously adopted:

Mr. Chairman, I have served as a member of the Committee on Ways and Means for about 24 years and was its chairman for 14 years. Prior to becoming chairman, I have served on the committee with the following chairmen: Hon. William Green, of Iowa; Hon. William Collier, of Mississippi; and Hon. Charles Crisp, of Georgia, who was acting chairman during the illness of Chairman Collier.

In my opinion our present chairman, Hon. HAROLD KNUTSON, of Minnesota, is the equal of any chairman within my experience in point of ability and the fine service he has rendered as chairman of the Committee on Ways and Means since the opening of the Eightieth Congress.

Mr. KNUTSON has also extended to me many personal courtesies and kindnesses which I shall always appreciate and I have offered a resolution which I trust our committee will adopt unanimously, expressing my high estimate and profound appreciation of the wonderful record made by Chairman KNUTSON.

Mr. KNUTSON is not only an excellent chairman but a great legislator and an outstanding American citizen who is rendering most unusual service to our Nation.

Mr. Chairman, I offer the following resolution.

Mr. KNUTSON. My friends, I am deeply touched by your action. No man is better qualified to bear testimony on the greatness of this wonderful country and the many opportunities it has to offer to those who are willing to work and strive for advancement than am I, who was born in a foreign land.

I well recall, as a small boy, how our beloved mother would gather her brood of little ones about her each night preparatory to being put to bed. Placing her arms about us she offered up the evening prayer and always that prayer included a note of thanksgiving to Providence for having permitted our family to come to this wonderful country where each and every one is free to carve out his own career. I learned at her bedside the great lesson of Americanism, and if at times it may have appeared that I am strongly nationalist it is altogether due to the fact that I love my country and am zealous of her welfare.

George Washington's admonition to us to avoid entangling alliances has ever had the force of a command on high for me.

Being chairman of the Ways and Means Committee, an honor that had never before come to my great State, carries with it heavy responsibilities, as you well know.

My sainted mother often impressed upon our young and plastic minds that life is like a bank account and we can draw on that account only as much as we put into it. It was a proud moment in my mother's life when I was first sworn in as a Member of Congress, but it was not the pride of position. Rather, it was pride that her son had been placed in a position where he could be of service to others, and during my long tenure here I have always looked upon my position as an opportunity to be of service to others. How well I have succeeded is for others to say.

As chairman of the great Ways and Means Committee I have tried to be fair and helpful to my colleagues. I am happy to say that except when party issues were involved there has been little partisanship in our deliberations and in our labors. All were animated by the same lofty ideal—to render the best and greatest possible service to the land that we love and which has done so much for each and every one of us.

Regardless of my future plans I shall ever cherish the memory of the friendships formed while a member of our great committee. To me the memory of my service here will ever be a cherished memory.

In closing, let me again thank you from the bottom of my heart for the fine cooperation you have always given me. It was your helpfulness that enabled me to carry on and garner whatever distinction that has been attained. In return I wish for each and every one of you life's richest blessings, peace of mind, good health, happiness, and length of years.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks at a point in the RECORD following the remarks of the gentleman from Michigan [Mr. WOLCOTT].

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. ISACSON asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

Mr. BLATNIK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. GARMATZ asked and was given permission to extend his remarks in the RECORD.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks at that point in the RECORD just preceding the vote and following the remarks of the gentleman from Michigan [Mr. WOLCOTT].

Mr. DORN asked and was given permission to extend his remarks in the Appendix of the RECORD and include two articles.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a certain article.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. LECOMPTE asked and was given permission to have printed in the RECORD the majority and minority report in the election contest of Wilson versus Granger.

Mr. BUCK asked and was given permission to extend his remarks in the RECORD immediately following his questioning of the chairman of the Interior Department Subcommittee during consideration of the conference report on that bill.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD on the general subject of the REA and AAA legislation, including his own roll call records, letters, communications, and newspaper articles.

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in five instances and include extraneous matter.

Mr. YOUNGBLOOD asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. HOPE asked and was given permission to extend the remarks he made today on the Commodity Credit Corporation bill and include certain letters and telegrams.

Mr. CHIPERFIELD asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. MACKINNON asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD.

Mr. DOMENGEAUX asked and was given permission to extend his remarks in the RECORD.

Mr. CROSSER asked and was given permission to extend his remarks in the RECORD.

Mr. CARROLL asked and was given permission to extend his remarks in the RECORD.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

CORRECTION OF VOTE

Mr. FALLON. Mr. Speaker, on roll call 111 I am recorded as not voting. I was present and voted "nay." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

COMMITTEE TO INVESTIGATE FEDERAL COMMUNICATIONS COMMISSION

Mr. ALLEN of Illinois from the Committee on Rules, reported the following privileged resolution (H. Res. 691, Rept. No. 2415), which was referred to the House Calendar and ordered to be printed:

Resolved, That there is hereby created a select committee to be composed of five Members of the House to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized, empowered, and directed to conduct a study and investigation of the organization, personnel, and activities of the Federal Communications Commission with a view to determining whether or not such Commission in its organization, in the selection and appointment of personnel, and in the conduct of its functions and activities, has been, and is, acting in accordance with law and the public interest, including (but not limiting the foregoing authority) a study and investigation of the Commission's licensing and license-renewal activities; the Commission's power and authority, if any, to promulgate and issue its so-called Blue Book and the extent to which, if any, the same has been, or is being, used as the basis or excuse for regulation by the Commission, directly or indirectly, of radio-program content at licensed radio stations; whether the Commission has licensed, or proposes to license, any radio station or stations owned or controlled by persons who are members of, or affiliated with, subversive or Communist-front organizations or who might permit the facilities of such radio stations to be used contrary to the public interest; and whether there has been, or is, any concerted movement or effort to procure the concentration of radio-station licenses, including FM, AM, and television, in the hands of a limited class of persons or concerns rather than a distribution of such licenses on a geographical and equitable basis, as provided by the Communications Act of 1934, as amended.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) at the earliest practicable date, for during the first session of the Eighty-first Congress, the results of its investigation, together with such recommendations as it deems desirable.

For the purposes of this resolution the committee is authorized to sit and act during the present session of Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, records, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member.

POSTAL RATE REVISION AND SALARY ACT OF 1948

Mr. REES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

The Clerk read as follows:

Be it enacted, etc., That this act shall be cited as the "Postal Rate Revision and Salary Act of 1948."

TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT

SEC. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: *Provided*, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further*, That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

SEC. 102. The provisions of this act shall not aply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 103. This title shall take effect as of July 1, 1948.

TITLE II—POSTAL RATE REVISION

AIR MAIL

SEC. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall except in the case of postal cards and private mailing or post cards, be 6 cents for each ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the act entitled "An act to amend the postal laws relating to use of postal cards", approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

THIRD-CLASS MAIL

SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weigh, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 1½ cents for each 2 ounces or fraction thereof: *Provided*, That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 203. Publications containing 24 pages or more issued at regular intervals of four or more times a year, 25 percent or more of whose pages are devoted to text or reading matter and not more than 75 percent to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: *Provided*, That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them shall not be accepted under this section.

FOURTH-CLASS (PARCEL POST) MAIL

SEC. 204. (a) On fourth-class matter (limit of weight over 8 ounces to 70 pounds) the rate of postage except as herein provided for catalogs (limit of weight over 8 ounces up to and including 10 pounds), books, and library books, shall be by the pound as hereinafter

provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof, 1 cent for each additional pound or fraction thereof up to and including 10 pounds, and three-fourth cent for each pound or fraction thereof exceeding 10 pounds.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2⅒ cents for each additional pound or fraction thereof up to and including 10 pounds, and 2 cents for each pound or fraction thereof exceeding 10 pounds.

(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including 10 pounds, and 2⅗ cents for each pound or fraction thereof exceeding 10 pounds.

(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 4¼ cents for each pound or fraction thereof exceeding 10 pounds.

(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and incluuding 10 pounds, and 5½ cents for each pound or fraction thereof exceeding 10 pounds.

(6) For delivery within the sixth zone, 16 cents for the first pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 7¼ cents for each pound or fraction thereof exceeding 10 pounds.

(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, 9½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 9¼ cents for each pound or fraction thereof exceeding 10 pounds.

(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 11¼ cents for each pound or fraction thereof exceeding 10 pounds.

(9) On parcels measuring more than 84 inches but not more than 100 inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a 10-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than 8 ounces but not exceeding 10 pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 7½ cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding 70 pounds in weight, may be sent at the postage rate of 8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organizations, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: *Provided*, That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than 2 pounds, 15 cents; matter weighing more than 2 but not more than 10 pounds, 20 cents; matter weighing more than 10 pounds, 25 cents: *Provided*, That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equivalent value may be accepted in lieu of the special-handling stamps herein specified.

SPECIAL DELIVERY

SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than 2 but not more than 10 pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than 10 pounds, if of the first class, 35 cents; if of any other class, 45 cents: *Provided*, That under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

MONEY ORDERS

SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money order shall be as follows: For orders less than $5.01, 10 cents; for orders from $5.01 up to and including $10, 15 cents; for orders from $10.01 up to and including $50, 25 cents; for orders from $50.01 up to and including $100, 35 cents.

POSTAL NOTES

SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for insurance thereof shall be 8 cents each.

(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue; but thereafter may be paid by the Postmaster General or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: *Provided*, That no claim for the amount of a postal note will be considered unless filed within 1 year from the last day of the month of issue. Postal notes shall not be negotiable or transferable through endorsement.

REGISTERED MAIL

SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry indemnity exceeding $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemnity exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $800, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $500, 7 cents;

by more than $600 but not more than $800, 8 cents; by more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more, the additional fee for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 8 cents; for delivery within the second zone, 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR INSURED MAIL

SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows:5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50 but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceeding $200. The fee for notifying the sender or his representative of inability to deliver a collect-on-delivery article shall be 5 cents.

RESTRICTION IN DELIVERY

SEC. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided*, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or nondelivery of the article or articles was due to some fault of the postal service.

REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.

(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.

SEC. 214. This title shall take effect on the first day of the second calendar month following the calendar month in which it is enacted.

The SPEAKER. Is a second demanded?

Mr. MURRAY of Tennessee. Mr. Speaker, I demand a second.

Mr. REES. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it is the purpose of this legislation to provide a permanent increase of $450 per year in the salaries of employees in the field service of the Post Office Department and to offset a portion of the increased cost by an increase in postal rates.

Title I of this bill is concerned with a salary increase for postal employees. Under the provisions of title I employees paid on an annual basis will receive a $450 permanent increase in their annual salary. Increases are provided for employees paid on an hourly basis in the amount of 25 cents an hour and for fourth-class postmasters of 25 percent. First-, second-, and third-class postmasters will receive the $450 annual increase given other postal employees.

The increase for fourth-class postmasters is provided on a percentage basis because, as you know, for many of these postmasters the return for their services from the Post Office Department is not the major portion of their income. Fourth-class post offices are the smaller post offices which have gross receipts varying from $100 per year to a top of $1,500 per year. Since fourth-class postmasters are paid based upon their gross receipts, you can see that it would be completely out of proportion to increase their salaries on other than a percentage basis.

The committee devoted much time and study to the problem of increased salaries for postal employees. Testimony presented to the committe by postal employees' national organizations stressed the necessity of a salary increased based upon the recent increase in the cost of living.

To offset part of the rising cost of living in the past, postal employees in the field service of the Post Office Department to whom this bill applies have been granted two substantial permanent pay raises. The first was the adjustment in salaries and classifications under Public Law 134, Seventy-ninth Congress, amounting to $400 annually for each postal employee beginning July 1, 1945. The second was under Public Law 386, Seventy-ninth Congress, which granted an additional permanent salary increase of $400 a year, effective January 1, 1946.

In connection with its efforts to secure a meeting of the minds between the executive and legislative branches with respect to this problem, the committee requested the Bureau of the Budget and the Postmaster General to submit re-

ports concerning pay-raise legislation.

In his budget message to the Congress in January 1948 the President stated that he was not recommending cost-of-living increases in pay for Federal civilian employees. The President stated:

The rapid increase in living costs during the last 18 months has placed a serious burden on these groups. Yet, to offset the cost-of-living increase since the last time pay or benefit rates were advanced for each group would add at least $2,400,000,000 to budget expenditures in 1949—apart from increases that would be paid from the trust funds. This large expenditure would add greatly to the inflationary pressure in our economy.

Further, the committee secured a report from the Bureau of the Budget, the right arm of the President, with respect to pay raises for Federal employees, dated July 1, 1947, which stated:

In view of the recent substantial increases in the base pay rates of Federal employees generally, it appears that these rates for the lower and middle pay brackets are now fairly well in line with salaries outside the Government.

In an additional report, dated February 25, 1948, the Bureau of the Budget stated:

In reply, you are advised that by reason of the position taken by the President in his budget message of January 12, 1948, on this subject, it is not believed that the enactment of the proposed legislation (salary increases for postal workers) could be considered, at least at this time, as being in accord with the program of the President.

At hearings conducted by the committee, the Postmaster General stated:

We have to rest upon the President's budget message to the Congress.

As the Members of the House can see, the committee has had little cooperation from the executive branch with respect to working out a fair solution to pay increases for postal employees. Yet, despite this opposition on the part of the executive branch and the lack of cooperation on the part of the officials in the departments and agencies concerned, our committee undertook to approach this problem realistically, and title I of this bill providing for a $450 annual increase in the salaries of postal workers is, in the judgment of our committee, the best solution to this problem.

In my opinion—and I am sure this view is shared by the members of the committee—our faithful postal workers richly deserve this permanent increase in their base salaries.

It is true that the cost of the bill will be approximately $211,000,000 annually. However, title II of the bill provides for recovering approximately $125,000,000 of this cost by moderate increases in postal rates and postal services. The $450 increase is probably not as much as the postal workers desire. However, it is a permanent increase; and taking into consideration the fact that the Congress has, within the past 3 years, approved increases amounting to $800 a year, the committee believed the increase is fair and equitable.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Indiana, our majority floor leader.

Mr. HALLECK. What is the estimated deficit in the post office for this year?

Mr. REES. I understand the estimated deficit is approximately $375,000,000 at the present time.

Mr. HALLECK. I commend the gentleman and his committee on bringing in a bill that contains in it, in addition to the pay raise, a provision for raising at least a substantial part of the money, because obviously we cannot go on and on having deficits in the post office constantly increasing.

Mr. REES. The President in his budget message in January stressed the need for increased postal rates to meet the large deficit, presently running to $375,000,000 annually. I may say, however, that the Post Office Department has suggested much larger increases in rates than are proposed in this legislation. However, our committee tried to be practical about this matter and to be fair to all parties concerned. For that reason we have brought in what we believe to be moderate rate increases in dealing with this problem.

The President in his budget messages in 1947 and 1948 has stressed the need for increasing postal rates to meet the large postal deficit. The Postmaster General on March 23, 1948, recommended to the Congress increases in postal rates which would have raised revenues of $243,970,000. In the opinion of the committee the rates recommended by the Postmaster General are more in some categories than should be imposed upon the users of the mail at this time. The rates contained in title II of the bill provide for increases for the considerably lower amount of $124,225,000. These increases for the categories of mail and postal services included in the bill are as follows:

	Amount of proposed increase
1. Air mail (domestic)	$9,850,000
2. Circulars, printed matter, seeds, etc., in parcels weighing less than 8 ounces (third-class mail)	14,600,000
3. Parcel post	60,500,000
4. Catalogs	2,400,000
5. Books	3,300,000
6. Special handling	300,000
7. Special delivery	3,600,000
8. Money orders	17,500,000
9. Postal notes	1,650,000
10. Registered mail	4,200,000
11. Insurance	3,575,000
12. C. o. d. service	3,300,000

AIR MAIL

At the present time we are experiencing an annual loss of $18,000,000 in handling air mail. As I have stated, increasing the rate on air mail from 5 to 6 cents will increase the revenue by approximately $10,000,000.

THIRD-CLASS MAIL

Third-class mail is circulars, printed matter, seeds, bulbs, and so forth, sent in parcels of less than 8 ounces. A special rate is provided in this classification for seeds and bulbs. Also there is a special rate provided for bulk mailers sending more than 200 uniform items at one mailing. In this bill there is no change of the 1-cent minimum rate charged for these bulk mailings. The increase in this rate comes in the smaller mailings of third class mail and an increase in the pound rate of 2 cents. The third-class mailers have expressed themselves as being favorable to H. R. 3519 and I believe I can say they have been quite generously treated in this bill.

FOURTH-CLASS MAIL

Fourth-class mail has several subcategories—parcel post, catalogs, books and library books. Fourth-class mail is required to pay its own way according to present law. The Postmaster General, under this law which still remains in effect, is directed to increase parcel-post rates through a procedure involving the approval of the Interstate Commerce Commission whenever revenues do not equal expenditures for handling parcel post. We have been experiencing for the past several years a large loss in parcel post and I have brought this fact to the attention of the Postmaster General. It has been his position that since Congress has under consideration a revision in parcel-post rates he is delaying taking proper action under the law. I have noted that the Senate Committee on Appropriations has also brought this fact to his attention and requested that he take action. The loss in parcel post in 1947 was $41,000,000. The rates provided in this bill will increase revenues in parcel post by $60,000,000. We must consider, of course, at the same time, this bill is increasing cost to the postal service so that with the increased rates the revenues from parcel post should approximate the expenditures in this class of mail.

There has also been a lot of controversy whenever the question of book rate increases is considered. In this respect I should like to point out that books are, after all, merchandise and as a matter of fact, they are carried under regular parcel-post rates. Books do not have a high time priority and in the majority of cases, could actually go by freight instead of expensive postal service. For this reason it does not appear that the Post Office Department should be carrying books at a great loss. The proposed increases on books leave them at a flat rate, that is, there is the same charge for sending a book across the country as there is for sending it into the next county. This flat rate is justified because book printing is concentrated in a few areas and it is felt that this does assist in a wide distribution of books. Even with these increased rates on books, we will still be carrying them at less than cost.

Most of the other increases concern postal services. I do not believe there has been as much controversy over increasing these rates as over increasing rates for mail.

Mr. COMBS. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Texas, one of the distinguished members of our committee who has worked very diligently in trying to work out this problem.

Mr. COMBS. First I want to say that in my judgment no committee of the House has done its work more conscien-

tiously or more studiously avoided partisanship than the Committee on Post Office and Civil Service. Our distinguished chairman has been patient and worked hard and every member of the committee, Republicans and Democrats, has worked hard to report out fair, well considered bills for enactment. It is true, is it not, that a great deal of the deficit of the Post Office Department is occasioned by the fact that we use that Department as an agency to subsidize air mail and even the railroads in the carrying of mail. In other words, the money appropriated for the Post Office Department is not all used in expanding the mail service, but some in subsidies to build air lines and things of that kind.

Mr. REES. I thank the gentleman for his statement. I think he well knows that our committee has made a strenuous effort to separate those two proposals. We subsidize the air lines through the Post Office when we should subsidize them separately. We do have a policy that has been adopted whereby it is agreed that the air lines shall be supported in order to provide for commerce and national defense.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield again to the distinguished majority leader.

Mr. HALLECK. I think it would be well for the RECORD if the gentleman would state the amount of that subsidy. Certainly it does not begin to amount to as much as the over-all deficit in the Post Office.

Mr. REES. As near as it can be figured out, the subsidy amounts to between 15 and 20 million dollars.

Mr. Speaker, I want to state that we are increasing air mail 1 cent. Third-class mail which includes circulars, printed matter, seeds, and parcels weighing less than 8 ounces, is being increased. With reference to fourth-class mail, which includes catalogs and books, under the law as it now stands the rates on fourth-class mail should be sufficiently high so it will pay its own way. It is the responsibility of the Postmaster General to initiate such rate revision with the approval of the Interstate Commerce Commission. They have failed to act.

Mr. GWINN of New York. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from New York.

Mr. GWINN of New York. Do you propose in this bill to fix rates without having had any hearings on those rates?

Mr. REES. I will say to the gentleman that we held hearings for weeks and weeks on these matters. This bill has been pending in the Committee on Rules for exactly 13 months.

Mr. GWINN of New York. Is that with reference to rates?

Mr. REES. We held hearings and the first-, second-, third-, and fourth-class mail people came in and testified. We have reams of testimony on this.

Mr. GWINN of New York. On rates?

Mr. REES. Oh, yes; indeed. We have them all in. We have full and complete hearings on this. It has been threshed up one side and down the other.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Missouri a member of our committee.

Mr. COLE of Missouri. I would like to state that all during the Seventy-ninth Congress, our committee held hearings on the question of increasing rates. We spent about 3 years trying to provide a means of fixing postal rates.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the distinguished gentleman from Ohio, a former member of the Post Office Committee of the House.

Mr. BREHM. To answer the question of the gentleman from New York, hearings were held on this legislation when I was a member of the Committee on Post Offices and Post Roads. To tell you the truth, I regret that I am no longer a member of that committee.

Mr. REES. I appreciate the gentleman's statement. The problem has been threshed out over and over again.

I want to pay tribute to the members of our committee on both sides, each and every one of them, for the splendid effort they put forth in trying to reach a solution of this very important problem. Some of the rates included in this bill perhaps ought to be adjusted. However, we did the best we could in an effort to bring equitable legislation to attention. We ask for your approval of this legislation.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. REES. I yield to the gentleman from Illinois who has for some time been looking into this problem.

(Mr. BUSBEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BUSBEY. Mr. Speaker, I am surprised and disappointed to learn that the bill we have under consideration to increase the salaries of postal employees only provides for an annual increase of $450.

The Members of this House know I am just as economy minded as anyone else and that I try to guard the taxpayers' money very diligently.

The facts are simply there. It has been a disgrace and a shame the lack of consideration that has been given postal employees for many, many years. They are a group whose patriotism has never been challenged. They stuck to their jobs through the war years when it would have been to their advantage to go into war plants where they could have made large salaries. Because of the low wage scale now paid postal employees, they have had to secure work on the outside after hours in order to make enough money to meet their family expenses. In many cases they could not hang on any longer because of the heavy expenses, notwithstanding the fact that they would have liked to retain their positions with the Post Office.

I say to you in all sincerity that if we can send billions and billions and then more billions of dollars to Europe, most of which is squandered and for which we shall never get any return or benefit, the least amount that should have been offered the faithful postal employees is an increase of $600 per year.

Mr. REES. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Tennessee [Mr. MURRAY] is recognized for 20 minutes.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield myself 10 minutes.

(Mr. MURRAY of Tennessee asked and was granted permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Speaker, as has been explained by the able chairman of our committee, this bill does two things: It provides a permanent increase of $450 per year to all postal employees except those employees who are paid by the hour, and to fourth-class postmasters. Those employees who are paid by the hour get a raise of 25 cents per hour. The fourth-class postmasters get an increase of 25 percent in their present compensation.

Second, the bill provides for an increase in postage rates. It affects all classes of rates except second-class mail.

The committee thought those rates for second-class mail should be increased, because at the present time the Post Office Department is losing $160,000,000 on the carriage of second-class mail. But be that as it may, the increase in the other postage rates in this bill will produce about $124,000,000 in additional revenue. The cost of the increase in salaries of the postal employees in this bill will be about $211,000,000 per year. There are approximately 480,000 employees in the postal service. So the revenue brought in by the increase in postage rates in this bill will be about $85,000,000 less than the cost of the increases in salaries.

Let me say in the beginning your committee brought in a bill which provided $585 temporary increase per annum for the postal employees, but the powers that be would not permit that bill to be considered, and we were required to bring in another bill, making the salary increase $450.

This increase is deserved. It is just. It is fair to meet the increased cost of living. From 1923 to 1945 our postal employees had no increases. On July 1, 1945, they were given $400 a year increase. In 1946 they were given another $400 increase. This increase of $450 now is certainly needed to help these employees pay their increased cost of living.

To my mind, there is no more faithful, no more just, no more loyal group of employees in our Government service than our postal employees. There is another bill pending in the House. It is H. R. 6917. It provides compensation to other employees of our Government, other than postal employees. There is a rule on this bill, and I trust that the majority leadership will permit consideration of this measure also.

Mr. Speaker, it would be grossly unjust, unfair, and discriminatory to increase the payments to postal employees and not to increase the pay for other Federal employees.

The Republican leadership has always been fair and considerate, and I implore the Republican leadership to permit this House, before the sun sets this evening, to pass H. R. 6917, increasing the compensation of other Federal employees.

Mr. COMBS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. COMBS. Is it not true that our distinguished chairman, when he originally introduced the bill, had all Federal employees in one bill, and "the powers that be," to use your expression, required a separation?

Mr. MURRAY of Tennessee. That is exactly correct.

Mr. SASSCER. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. SASSCER. I am happy to see these postal rates increased. I thoroughly agree in the gentleman's hope that this Congress will not adjourn until other classified employees, Government workers, are given this much-needed raise.

Mr. MURRAY of Tennessee. I thank the gentleman.

Mr. JENNINGS. I wish to commend the very fine work the committee has done in bringing out this bill in behalf of the employees of the postal service, and especially my colleague from Tennessee who has rendered hard and meritorious work in a good cause.

Mr. MURRAY of Tennessee. I thank the gentleman for his kind words.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. REES. Mr. Speaker, I yield 4 minutes to the gentleman from West Virginia [Mr. LOVE].

Mr. LOVE. Mr. Speaker, I am pleased to rise in support of legislation providing for a permanent increase of $450 annually to our hard-working and very deserving postal workers.

As a member of the Post Office and Civil Service Committee, I have received many requests from all parts of the United States asking that the proposed increase should be at least $800. I regret that it is not possible to reach this figure. However, I wish to call to the attention of all postal employees that they will receive a substantial income-tax reduction as of January last. This reduction should amount to about $100 annually to the average letter carrier. Therefore, your raise will, in effect, be approximately $550 for those who pay Federal income taxes.

We have also amended the Civil Service Retirement Act to increase annuity benefits 25 percent, or $300.

In providing a permanent pay raise of $450, a greatly improved retirement system, and a substantial income-tax reduction, I, for one, am not ashamed of what the Eightieth Congress has done for our loyal postal employees.

This proposed legislation will cost the Federal Government approximately $203,000,000. The bill also includes increased mail rates to provide estimated additional revenue of approximately $124,000,000. During fiscal 1947, the United States Post Office Department operated at an approximate loss of $300,000,000. It should be pointed out here, very clearly, that the Post Office Department is one of the few Government agencies that provides revenue. Since our Post Office Department should be considered partly as a great public service to our people and to our Republic, I do not believe that we should criticize it too severely if it does not pay its way in full. What Government agency does pay its way? We should also realize that it costs money to service our vast amount of penalty and free mail. However, a large portion of the United States mails are used strictly for business and commercial purposes. This service should not be donated. Many rates should be increased to help decrease the deficit in the Department and to partially support a deserved increase for the postal employees.

In fiscal 1947, air mail operated at a loss of almost $19,000,000. This bill proposes a rate increase from 5 cents to 6 cents, which would increase revenues by about $10,000,000. Parcel post lost $41,000,000 in 1947 and the proposed rate increase of 28 percent would provide an additional $60,000,000. Money orders lost $32,000,000 and a 50-percent increase would add $17,000,000. COD service lost $6,000,000, and a 20-percent increase proposes revenues of more than $3,000,000.

Third-class mail, including circulars, seeds, and so forth, lost $74,000,000, and an 18-percent increase would provide some $14,000,000. Other rate increases, not including second-class mail aggregate a total increase of revenue to some $124,000,000.

I repeat, in conclusion, that the United States Post Office should be considered as a great public service and that we should not expect it to operate entirely out of the red. However, insofar as strictly commercial postal rates are concerned, these rates should be increased as in the present bill to eliminate unjustified deficits in the Post Office Department and also to support increases to postal workers.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. LOVE. I yield.

Mr. SADLAK. I am heartily in favor of the immediate passage of H. R. 6916 under suspension of the rules and take this opportunity to commend the untiring efforts and persistence of our committee chairman, the likable, distinguished gentleman from Kansas [Mr. REES].

Much deserving and meritorious legislation has emanated from our Committee on Post Office and Civil Service during the Eightieth Congress. Predominantly deserving, however, is this bill which will bring some needed economic relief to very loyal and devoted public servants, assure them that their employer is appreciative and make possible the retention of experienced employees as well as recent appointees who decided to make careers in the post office service. It will also provide an incentive to others who hesitate in making this selection because of the entrance salary. And, Mr. Speaker, with reference to the latter, the eligible registers in every large city post office bespeak the urgent need of a change in this respect or serious difficulties may arise.

I am sure that it is well known that I worked for the passage of a larger increase of these salaries and that I also was active and deeply interested in all Federal workers and shall endeavor to get action on H. R. 6916. Knowing well the mechanics by which legislation is enacted, I urge the acceptance and approval of H. R. 6916.

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. LOVE. I yield.

Mr. EDWIN ARTHUR HALL. I wish to commend the gentleman at this time and to express the hope that it may be possible to bring out the bill for the other Federal employees before the session ends.

Mr. Speaker, last February I appeared before the Committee on Post Office and Civil Service through the courtesy of its chairman, and asked for the maximum of $1,000 salary increase which the postal workers of my district requested. I have publicly proclaimed my position again and again and flatly stated these deserving people must have first consideration.

The postal employees that I represent made it plain to me they want a larger raise than we are giving them today. I think they are right.

However, the time is late, the House is adjourning, and this important matter has been held up until the last minute. There is no chance to offer amendments to increase this proposed amount of $450.

Naturally, I am happy that this raise is presented and I gladly support it. I know all the post office people at home will be glad the increase has been brought up.

For some time I was apprehensive over the protests my office received from postal workers each time I returned home. They were honest protests from heads of families who find it difficult to meet the rising cost of living. They were righteous complaints from employees, long faithful to the Post Office Department, who had seen other departments get raises and yet got no satisfaction themselves.

I repeat I am glad to have a part in passing this pay-raise bill today. It is a step in the right direction and spells a measure of justice to our deserving postal workers.

The second part of the bill, I regret I cannot support. It has to do with raising rates of the parcel post. I think they are already too high.

Perhaps it is good politics, but I know many businessmen who will object to having these rates raised. Personally I do not think this rate increase is necessary and I have the right to my opinion. I regret no chance is given here to amend this section or I would certainly try to do so.

The postal pay raise is timely, well-deserved, and necessary. The men I know at home will be grateful and I have looked forward with great anticipation to giving them this lift. I take pleasure in voting for the postal employees' pay raise here today.

(Mr. EDWIN ARTHUR HALL asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, this bill is supposed to come to us under democratic orderly procedure and what I am about to say I say in perfect kindness to the splendid chairman of this committee and the fine, honorable Members on the Republican and Democratic side. They have had nothing to do with this bill. We are not at all proud of it, and we are not proud of the manner in which it comes up here and, as far as I am concerned, I will accept no compliments from the leadership of the Republican Party for it.

The arbitrary use of power by a small group, be it policy or otherwise, which renders a majority impotent, is contrary to the fundamental principles of American representative government. That is exactly what happened with this bill.

The committee after numerous hearings passed bills recommending increases for postal employees and other Federal employees. More than a year ago we recommended an increase in postal rates. It has been before the Rules Committee that long. If that committee were concerned about a deficit in the Post Office Department it missed 14 months in which it could have acted any time it wanted to.

Just the other day two bills came over to the committee under an ultimatum, and this in a democracy, saying, "You take these or get nothing." And hundreds of thousands of faithful, good Federal employees would have suffered. Yet we abdicated our effort to bring to you good legislation which represents the opinion of a majority of the members of my committee. There is not one single member of this great committee who is responsible for the pending distorted bill. The entire responsibility and the compliments must go to the distinguished Republican leadership, commonly referred to as the Republican Policy Committee.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. I would like to compliment the gentleman from Texas for his very fine statement. I would also like to compliment the gentleman from Kansas [Mr. REES], chairman of the full committee, for reporting out two bills granting pay raises not only to postal employees but to all Federal employees. Had that committee been let alone all Federal employees today would have had a good substantial pay raise which they all deserve.

Mr. LYLE. And in an orderly manner.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. I had not expected to ask the gentleman to yield to me, but I have been very much interested in what he had to say.

Mr. LYLE. I hoped the gentleman would be.

Mr. HALLECK. Does not the gentleman agree with me that as costs increase in the Post Office Department of necessity and as a part of the over-all budgetary situation and the Federal Treasury, we have to pay some attention to rates?

Mr. LYLE. For 1 year I have urged the Republican Policy Committee to increase rates. It has during that time been before the Committee on Rules. The gentleman is just a year behind the Committee on Post Office and Civil Service.

Mr. Speaker, I share with the splendid chairman and the outstanding members of the great Committee on Post Office and Civil Service the responsibility of bringing you well-considered legislation in an orderly and democratic manner. We are proud of our record. Unfortunately, we cannot be proud of this bill and, personally, I can accept no compliments from the leadership of the Republican Party for it. It is not a committee bill. We are but the instrument by which the majority policy committee impresses its ideas upon the House in this particular legislation. You, too, have been disfranchised and stripped of the power to offer your ideas as representatives of millions of American people—it cannot be amended. Those responsible for the bill saw to that.

I have always cherished orderly democratic procedure by which the majority may express its will. Such is not the case here, for this is the will of a few. In my judgment the arbitrary use of power by a small group, be it policy or otherwise, which renders a majority of the membership impotent, notwithstanding the character and integrity of the individuals involved, is contrary and harmful to the fundamentals of American representative government. Yet witness such at this hour.

At the beginning of the Eightieth Congress your committee began to study the advisability of increasing Federal salaries for postal workers and others. We held extensive hearings and worked long hours attempting to arrive at justice for the Government and the employee. Many weeks ago your committee recommended favorably the passage of legislation increasing the salaries of postal workers and other Federal workers. The increases recommended were not in the amounts asked, nor were they equal to the increased cost of living. The bills were, however, carefully considered, and while they did not meet with my full approval, they did express the majority opinion of the committee. You have not had and will not have an opportunity to pass upon either of these measures. They lie dormant in the Rules Committee.

More than 14 months ago your committee, after months of careful and deliberate study, recommended postal rate increases. This bill represented the best thought of the members of a committee who had spent months, and many of them, years, studying the problem with no other purpose than the development of a postal system and service that could adequately meet the demands of this great country at rates the people can afford to pay, and with as little loss as possible to the Government. This bill is before the Rules Committee and has been for more than 1 year.

Your chairman and your committee, without political consideration, have attempted to discharge their responsibilities to you and to the people in a useful and helpful manner. I could not praise the committee membership too highly.

Does this bill before you today represent the work and thought of your committee? I regret to say that it does not.

Briefly, I will give you its story. It came as a surprise and a shock to me a very few days ago when it was placed on the doorstep of the committee with word, supposedly from the Republican policy committee—and I do not question its source—which was in the nature of an ultimatum: This or nothing.

It is quite popular, and has been, to use Federal employees as whipping boys. Unquestionably we employ more than are necessary. Unfortunately some are not worthy of their trust and responsibility and do not earn their pay. But I will not join with any demagogic harrangue against the hundreds of thousands of necessary, able, and faithful employees who make possible the orderly functioning of this great Government. They are entitled to the consideration that should be given to every faithful worker of private industry or public service. Hundreds of thousands of Government employees are suffering with millions of Americans as a result of the unprecedented, unchecked, and, assuredly, unfortunate spiral of living costs.

Federal employees must depend entirely upon this Congress for relief. They have no right to strike; they have no right to participate as a body or in groups in politics; they are limited to the interest, thoughtfulness, fairness, and consideraiton of you gentlemen. I feel constrained to compliment the employees, particularly those who have contacted me, for they have been courteous, patient, considerate, and reasonable and they have, under no circumstances, attempted to put pressure upon me, personally or through the mails. Mr. Speaker, this bill is not the bill that should be before the House.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. I would like to compliment the gentleman from Texas for his very fine statement. I would also like to compliment the gentleman from Kansas [Mr. REES], chairman of the full committee, for reporting out two bills granting pay increases not only to postal employees but to all Federal employees. Had that committee been let alone, all Federal employees today would have had a good substantial pay raise which they all deserve.

Mr. LYLE. And in an orderly manner.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. I had not expected to ask the gentleman to yield to me, but I have been very much interested in what he had to say.

Mr. LYLE. I hoped the gentleman would be.

Mr. HALLECK. Does the gentleman agree with me that as costs increase in the Post Office Department of necessity and as a part of the over-all budgetary situation and the Federal Treasury, we have to pay some attention to rates?

Mr. LYLE. For 1 year we have urged the Republican Policy Committee to permit the consideration of the postal rate increase bill. This bill has been before the Committee on Rules since May 1947. The gentleman is just a year behind the Committee on Post Office and Civil Service. I join with every Member of this House in a sincere effort to cut the expenses of Government, to reduce the national debt and to help bring about a sound fiscal policy for the Government. No reasonable or thinking man, however, can argue successfully that adequate salaries for Federal employees would be inconsistent with a sound fiscal policy.

All Federal employees are entitled, in my judgment, to increases in salary at this time. There is now a bill, introduced by the great chairman of my committee, ready for consideration but without the blessing of the leadership. It provides for salary increases for classified and other Federal employees. He and the other members of my committee join me, I am sure, in wishing that you might have an opportunity to pass upon it. And with all frankness, Mr. Speaker, if I have the honor of serving on the conference committee between the two Houses, provided there is one, I shall do my utmost to bring back to the House fair increases for all Federal employees. I shall also attempt to divorce postal-rate increases from the salary bill. Postal rates are not properly made in relation to the salaries of postal employees. They cannot be. They should be considered separately and apart.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Why were not the users of second-class mail, who are responsible for the biggest deficit, included in the policy committee's statement?

Mr. LYLE. That is a question the answer to which will be somewhat embarrassing to the policy committee which omitted it from its ultimatum. The answer is, I believe, this: The Post Office Department is calculated to lose $160,000,000 on this crisis of mail in 1948. In my judgment, nevertheless, they could not face the great newspapers and, perhaps, magazines, which would be affected by a change in second-class mail rates in a year of political campaigns.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Kentucky.

Mr. CHELF. The ultimatum was received notwithstanding the fact that better than 218 Members of this House, making up the majority and the minority, appeared before your committee and asked that this pay increase be granted?

Mr. LYLE. Unfortunately, this present bill failed to take into consideration the ideas of the membership of this House.

Mr. Speaker, I shall not object to the passage of this bill for I have hopes that it may be worked into acceptable legislation before it reaches the President's desk. I could not, in good conscience, refrain from this explanation to the House of the procedure by which it comes to you. Perhaps in frank discussion we may better understand each other and more admirably serve the people who have entrusted us with great responsibilities. We shall, I am sure, always cherish the advice of the leadership of both sides of the House, but seldom shall we, I sincerely hope, subject ourselves to the dictates of either, when by doing so we thwart the will of the majority of the United States Representatives.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi, Mr. Williams.

Mr. WILLIAMS. Mr. Speaker, I want to compliment the distinguished chairman of my committee—a committee of which I have been a member only about 2 months—for the splendid work that he has done and is doing. He has always had the interest of the Federal workers at heart; he has had the interest of the postal workers at heart. His heart is right, but his hands have been tied by the uncompromising actions of his own party's leaders. I had hoped that a bill would be brought out that would provide for adequate permanent increases for postal employees. I thought it was the duty of Congress to do so. You know, this Congress is in a large part responsible for the chaotic economic conditions which we find prevailing at the present time. I think it is our duty to provide for our Federal employees in order to help them meet the increased costs of living for which we are to some extent, at least, responsible. I cannot say that I am proud of this bill. I concur with my colleague from Texas in that, and I am not proud of the manner in which it was brought about. I contend that this bill should come to the floor under an open rule, giving the Members the opportunity to offer amendments. In this way alone could we formulate a measure that would meet the approval of most of the Members of this House.

Mr. CARROLL. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Colorado.

Mr. CARROLL. Did I understand the legislative history of this particular bill to be that the committee reported out a bill which included both postal as well as other Federal employees, in a greater sum than mentioned in this bill?

Mr. WILLIAMS. That is true, but that was done before I became a member of the committee.

Mr. CARROLL. But that was reported out by this committee?

Mr. WILLIAMS. Yes. I may say that the bills previously reported reflected more nearly the views of the majority of the committee than does this measure. This bill is brought to you as the result of an ultimatum, as the gentleman from Texas told you a few minutes ago, from the Republican Policy Committee. The leadership of the Republican Party dumped it in our laps, and told us to take it or leave it. If we leave it, our postal workers do not get a raise at all.

Mr. CARROLL. They have divided the bill and reduced the salary increase?

Mr. WILLIAMS. That is exactly right.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. The bill as reported by our committee did not include the other Federal employees. The bill as introduced included postal employees and Federal employees, but the bill as reported out included only the postal employees, and then a separate bill pertaining to Federal employees was reported out.

Mr. WILLIAMS. It is my contention that the committee wanted to be more liberal. I regret that the high-handed action of the majority leadership has dictated otherwise.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 1 minute to the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Speaker, I shall vote for H. R. 6916 and H. R. 6917, and I urge the Members of the House to pass these bills. I cannot oppose such legislation without denying to hundreds of thousands of faithful Government employees a well-deserved and hard-earned cost-of-living increase in salaries. However, I strenuously oppose the procedure used to bring these measures to you.

Although these bills are very important there were no hearings on H. R. 6916 or H. R. 6917 in the Post Office and Civil Service Committee or in any other standing committee of the House. The Post Office and Civil Service Committee which is presenting these bills to you was not even consulted about their construction.

On June 14 the Republican Policy Committee issued an ultimatum to our Post Office and Civil Service Committee to the effect that no salary increase bills would be passed unless they were in the form of H. R. 6916 and H. R. 6917. Other measures had already been reported out by our committee dealing with the same issues, which provided increases in salaries for postal workers, increases in postal rates, and increases in salaries for Federal employees—all based upon evidence produced during the hearings. These measures were recommended by our committee after much deliberation and in a general sense reflected the bipartisan views of a majority of the members of the committee. No action whatsoever was allowed on these measures by the Rules Committee.

H. R. 6916 is a combination of these committee bills which were previously reported out, minus very important and integral parts of these same bills. The ultimatum which eliminated vital aspects of this legislation and made substantial reductions in the salary raises usurped the prerogatives and responsibilities of your Post Office and Civil Service Committee.

I believe in upholding the basic principle that legislation reported out by a major standing committee should reflect

the considered judgment of this committee, and not the coerced political expediency of an outside partisan policy committee. Mr. Speaker, this procedure is dangerous and alarming. If real democracy is to be preserved we must not resort to such tactics, and I hereby protest vigorously against this action.

(Mr. BATTLE asked and was given permission to revise and extend his remarks.)

Mr. REES. Mr. Speaker, I ask unanimous consent that all members may be permitted to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I want to express my approval of the action that has just been taken by the House in granting a pay increase to postal employees. It was altogether fitting that we do this as our postal employees are among our finest and most conscientious Federal workers. Upon them rests much of the responsibility of maintaining the well-being of our Nation and it is only fair that we recognize and reward their faithful service in a highly justified material way.

It is regrettable, however, that the postal pay bill was considered under a suspension of the rules and it was not possible to have an amendment considered for a general Federal pay raise. I sincerely hope that the Senate will take action in seeing that this amendment is added when the bill is considered by that body. I favor a pay raise for all Federal employees and I will support and vote for legislation that will bring this about.

Mr. CARROLL. Mr. Speaker, I shall vote for H. R. 6916, although the pay increase involved is inadequate to meet the increase in postal employees' cost of living.

I desire to record a vigorous protest against the political maneuvers which have occurred in connection with the presentation of this legislation.

There was ample evidence before the Post Office and Civil Service Committee that postal employees and other Federal workers are in dire need of a salary increase adequate to meet the high cost of living. Witness after witness testified that it was imperative that these employees receive not less than a $800-per-year salary increase. Notwithstanding the overwhelming weight of this testimony, the Post Office and Civil Service Committee, for reasons best known to itself, reported out separate bills—one giving the postal employees a salary increase of $585 per year and the other granting all other Federal employees a salary increase in the sum of $468 per year. Even though those salary increases were insufficient, this represented, nevertheless, a reasonable step in the right direction.

The debate on the pending bill discloses a situation revealing a shocking disregard for the welfare of Federal employees and the legislative findings of the Post Office and Civil Service Committee. Important members of the Post Office and Civil Service Committee openly have charged on the floor of this House that the Republican policy committee has used tremendous pressure to keep these bills from being brought to the floor of the House for debate and vote in the form originally presented by the Post Office and Civil Service Committee.

The record now reveals that the bill concerning postal employees has been subjected to a salary cut from $585 to $450 per year. Moreover, the Republican Policy Committee has refused to consider any pay raise for other Federal employees. In addition to being subjected to this high-handed program, the Membership of this House now is forced to vote on the pending bill under what is known as a suspension of the rules. Many of the postal and other Federal employees do not understand the effect of this legislative maneuver.

Under a suspension of the rules, Members who are in favor of more equitable treatment of both postal and other Federal employees are prohibited from amending the present bill in any manner. In short, we must either accept or reject the bill in its present form.

Further, it is quite apparent to me that there will be no relief for other deserving Federal employees who are suffering from the increase in the cost of living.

There is no doubt in my mind that if the Republican leadership had permitted both bills to advance in the normal legislative process, the membership of this body would have passed the salary increase both for postal and other Federal employees with an overwhelming majority.

Mr. Speaker, the legislative history of these two bills clearly shows that there has been a denial of the democratic process in their consideration. Such action is detrimental to our system of civil service and will not inspire the confidence of Federal employees in the legislative branch of the Government. These employees are entitled to the same rights and to the same protection in meeting the increase in the cost of living as are those workers who are employed in and who have been given wage increases by private industry.

Mr. LEMKE. Mr. Speaker, I am voting for this bill, but I am not satisfied with it. I favor an increase of $800 for postal service and other Federal employees. The talk of economy comes with poor grace from those who voted and supported our foreign policy. It comes with poor grace for those who saddled $623,000,000,000 of debts and future commitments on our shoulders by voting and supporting the 15 years of global gifts and expenditures.

I feel that this increase is inadequate to maintain the American standard of living. These employees are not able to properly take care of themselves and their families with the present 30-cent dollar that they are getting. The cost of living has gone up at least 200 percent, if not more, since 1937, 1938, and 1939.

For example, on August 11, 1939, in Fargo, N. Dak., a pound of Land-O-Lakes butter was 23 cents; eggs were 2 dozen for 23 cents, strictly fresh; a pound-and-a-half loaf of bread was 9 cents; pork loin, 12 cents, bacon, 12½ cents; spare ribs, 8 cents; crisp celery, 5 cents; two heads of lettuce, 13 cents; five bunches of radishes, 5 cents; three bunches of carrots, 10 cents; 3 pounds of coffee, 39 cents; and other food and articles and wearing apparel were on a par with these prices. Compare them with today's prices, and then compare the postal service employees' pay and the Federal employees in lower brackets pay increase with price increases.

I feel that an increase of $800 per year for postal service employees and the Federal employees in the lower brackets is a reasonable increase. I especially suggest to this committee that they should bear in mind that Uncle Sam will again step in and take $160 out of that $800, leaving an actual increase of only $640.

I am not criticizing Uncle Sam, but the old gentleman with the striped trousers and stove pipe hat never misses a bet. He takes from the needy as well as the wealthy.

In addition, may I suggest that since we have given directly or indirectly to foreign nations something like $27,000,000,000 since the war ended, and we are about to give another $17,000,000,000, it is about time that we take care of the people who are at home; people who are still proud of being Americans. Charity still should begin at home even though we have temporarily lost our better judgment.

SWEET CHARITY

Mr. KLEIN. Mr. Speaker, the thousands of people who do the work of our vast Government faithfully and patiently have looked to this Congress for a self-respecting increase in pay which would enable them to live in decency.

I am not speaking now for the postal employees alone as covered in this bill, and for whom I have repeatedly and publicly demanded a salary increase of at least $1,000 a year to meet the fly-away prices which resulted from the scuttling of price controls by the Republican Party.

Other Federal workers face the same inflation.

I was prepared to offer amendments to bring the salaries to a livable level, had the measure been permitted to come up under regular procedure weeks ago, when the bill was just as ready as it is now.

I hope the House failure to provide a cost-of-living increase for Federal employees—and I mean the clerks, the typists, the secretaries, the girls in my own office, the laborers, and the minor executives—will be remedied by the other House.

I hope, too, that the majority leadership can be proud of this stale half loaf of charity. I could not be, were the responsibiilty mine.

Mr. ANGELL. Mr. Speaker, I will vote for this bill H. R. 6916. I regret the raise is not larger, at least $800 which I supported in the committee. We must vote for this or nothing. I regret that it does not cover all Federal employees in the classified lists. I hope we may be able before we adjourn, to pass such a bill covering all employees. I urge that the raise be raised for such employees to $800 and I appeal to the

leadership to present such a bill to the House for passage before we adjourn.

Mr. PRICE of Florida. Mr. Speaker, I am voting for H. R. 6916 but must say that it is a disgrace of this Congress to throw such a crumb to the postal workers of our country. It has been proven beyond the shadow of a doubt that the postal employees and all other Federal employees really need at least $800 per year.

It has come to the point where we have to vote for a $450 raise or nothing.

Mr. POWELL. Mr. Speaker, this bill is a crime committed against the Government workers of America. It marks another one of the many broken promises with which the Republican Party has paved its road to hypocrisy.

First, it does not give the postal workers what they were led to believe they would receive.

Second, it completely destroys the morale of all Federal workers at a time when a raise was desperately needed.

Third, in this campaign year it refuses to raise rates on periodicals because of pressure.

Lastly, an increase in postal rates has no place in the same bill as wage increase.

I repeat, this is a crime. We are constantly driving the workers of our country to the wall. Brutalizing them with the Taft-Hartley law, terrorizing with the Mundt bill, fooling them with a phony housing act, and finally refusing to stop run-away prices and refusing to raise workers' pay.

This sop to the postal workers will not fool them or all Federal workers in November.

Mr. SARBACHER. Mr. Speaker, I rise in support of H. R. 6916, which among other provisions will increase salaries of postal employees. I wholeheartedly favor this particular phase of H. R. 6916.

A few months ago I testified before the House Committee on Post Office and Civil Service in favor of an increase for these loyal Government postal employees—actually I supported a larger increase in salary than this legislation permits, but this is a step in the right direction.

I am extremely pleased to see the rules suspended and its passage expedited by the House of Representatives today. I shall vote for H. R. 6916 and continue to press for the final enactment into law of this much deserved pay raise for postal employees.

Mr. PHILBIN. Mr. Speaker, while I am very glad that some measure to grant well-deserved and urgently needed pay raises to postal workers has been at long last presented to this House for action, it is most distressing that its terms are not more generous. I am of course deeply pained that no general pay raise bill granting increases to other Government employees has been brought before us for action before adjournment.

The chairman of the committee [Mr. REES] whom I greatly esteem, is exceptionally able and conscientious, and his committee is comprised of some of the best men in this House. The distinguished gentleman and his committee have labored long and faithfully on pay raise legislation and I deeply regret that in the pressure of the final business of the Congress, the full program of pay increases for all Government workers has not been submitted to this House.

I cannot express enthusiasm about the principle contained in the bill of binding pay raises to rate increases in certain categories because I think that the results are inevitably to confuse the budgetary position of the Post Office Department, and also place burdens inequitably and disproportionately upon various users of the postal system.

The bill provides some measure of relief, however, and grants substantial increases, which coupled with current tax reductions and an improved retirement system, justifies me in voting for it even though I would desire a better, a more generous bill and a sounder-based, better-devised budgetary arrangement to finance it.

Personally I have worked unceasingly to assist our faithful postal workers and other worthy and loyal Government employees to secure well-merited pay raises. I appeared in their behalf before the appropriate committees of both House and Senate and have worked in many other ways to help secure favorable consideration for them.

Without question the House will pass this measure under suspension of the rules and thereby place its seal of approval upon legislation which, if in some respects inadequate, will nevertheless aid and assist in this period of skyrocketing prices and inflation. Our loyal postal workers who like all our citizens and particularly our working people are suffering from current high-price levels. I will vote for the bill.

Mr. TOLLEFSON. Mr. Speaker, I have consistently supported legislation now pending in Congress providing adequate pay raises for postal employees and other Federal employees. I filed a bill which so provided. The Post Office and Civil Service Committee has reported out H. R. 6916. This is the only legislation covering this subject upon which the House has the privilege of voting. The bill is considered under a suspension of rules which permits no amendments. The amount of pay raises cannot therefore be changed during the present consideration of the bill. I shall therefore vote for H. R. 6916, although I would have preferred a larger pay increase. The Federal employees are entitled to a raise in pay. I regret that this legislation does not grant them more than it does.

Mr. ABBITT. Mr. Speaker, I rise in suport of H. R. 6916 which is a bill to provide additional compensation for the postal employees. These employees have not received the raises and increases in salary that others have. They have been left far behind in their compensation. They are not receiving adequate salary to meet the high cost of living of today. I have followed closely the various bills that have been introduced and open hearings which have been held in the committees. I had hoped that the Membership of the House would be allowed to consider a much larger salary increase than is provided in this bill. As in my opinion, the raise provided for in this bill is not adequate nor sufficient to meet present conditions.

We, of course, realize that the leadership in the House has the authority to decide which bills will be considered and which will not. They have offered the present bill as the only one for our consideration. Therefore, not permitted the privilege of supporting a bill providing for a larger increase than the present one, I wholeheartedly support the bill under consideration, which while it is inadequate to meet the high cost of living of today, it will afford these employees some measure of assistance which they are entitled to and so richly deserve.

It is my understanding that the postal employees have had only two increases in salary since 1925, which increases have been negligible, whereas, the cost of living has soared sky high. I hope that if a larger amount of increases cannot be given that this bill will certainly pass. I desire to say now to the Members of this body that I now stand ready to support an amendment which increases to any reasonable extent the amount allowed in this bill. But I fully realize that under the present rules under which we are proceeding no amendments are permissible. Therefore, is is vitally important to pass this bill as it is now or there will be no raise.

Mr. Speaker, I am firmly convinced that all of the Federal employees are entitled to an increase in their compensation. The Federal employees' raises have in no way kept pace with the raises of other working people. Their remuneration is far behind those in like employment in non-Government work. It is my earnest desire and hope that this Congress will not adjourn until adequate provision has been made for the faithful employees of our Government. Many of them work long hours and ofttimes work overtime, for which they are not sufficiently paid. I desire at this time to lend my voice in support of the salary raise for all Federal employees, and I trust that the present leadership will see fit to allow this bill to go through, realizing that it is entirely up to the leadership of this body to say whether or not these increases will be made, as, under the rules upon which the House is proceeding from now until adjournment, only such matters as are cleared by the House leadership will be considered.

If an amendment was permitted to the pending bill whereby all Federal employees will be given raises, which I am sorry is not allowed, I would earnestly and to the best of my ability support it, and believe that the increase would be such as to be of real help to these people who so richly deserve the additional compensation.

Mr. YOUNGBLOOD. Mr. Speaker, today the Eightieth Congress passed legislation providing for a permanent increase for all post-office employees in the amount of $460 per year.

I want to state publicly that I voted in favor of passage of the bill and I also want to state that I supported this bill, and other bills, providing for even more

liberal allowances in the Post Office and Civil Service Committee of the House, of which I am a member.

I think it appropriate to state at this time that if it had not been for the activitics of certain members of he committee, particularly the Democratic members, this bill would have been reported out of committee and passed the House long ago. Despite the fact that I was in favor of a retroactive increase, the activities of certain members of the committee in emasculating the legislation which met my approval, and the approval of the chairman of the committee and some of the members on the Republican side, alienated some Members of Congress who otherwise would have voted for the bill. Under the circumstances and in view of the difficulties which we have met, I feel that this bill is just, fair, and equitable. Our postal workers are certainly deserving of an increase in salary and I hope and trust that the additional money which they receive will, to some extent, give them the additional incentive which they deserve and will add to their morale.

It is indeed unfortunate that this much-needed and beneficial legislation was not passed by the House long ago and it is equally unfortunate that the bill which was passed did not contain the retroactive feature which I hoped for; but I am pleased that I had the opportunity to vote for an increase in wages for these deserving men and women.

Mr. LANHAM. Mr. Speaker, I am glad that the Republican leadership has finally consented to let the House pass upon the bill now under consideration which provides for an increase in the salaries of all postal employees. I heartily approve of this legislation and have been for a number of weeks adding my voice to the voices of other Members of the House demanding action on this bill.

I regret exceedingly, however, that there is not included in this bill a substantial salary increase for the other faithful Government employees included in all of the classifications of the Civil Service. The cost of living has increased for them just as it has for all of us. It is manifestly unfair not to grant them also a reasonable increase in their salary so that they can meet the high cost of living.

I regret too that this bill has tied to it an increase in postal rates, especially in the third- and fourth-class rates. I say this because this means an increase in the cost of those things purchased by those of our people who live in rural communities and who must depend upon parcel post for many of the articles they buy.

It seems to me that if an increase in the postal rates were to be made they should have been made in a separate bill after careful consideration of all of the issues involved. Moreover, I can see no reason why third- or fourth-class mail rates should be raised when no raise in rates for second-class matter is provided. This seems especially strange in view of the fact that the main portion of the deficit from the operation of the Post Office Department comes from the second-class-mail matter.

It is my sincere wish, and, I trust, not a forlorn hope, that a bill raising the salary of our Civil Service employees will be passed at this session of Congress.

Mr. LYNCH. Mr. Speaker, I appeared before both the House and Senate Committees on Post Office and Civil Service and advocated a flat and permanent increase of $1,000 for our postal employees. I felt that such an increase was not only justified by reason of the present increased cost of living but also because the general standard of living has been so elevated that it is unthinkable not to enable our loyal postal workers to retain that higher standard.

I was deeply disappointed when I heard that the committee had in the first instance approved a raise of only $585. To my mind that was bad enough but when the bill started to get a tossing around, so that no one knew whether it would ever reach the floor, even $585 became acceptable. But $585 was not to be had for postal employees either, for this bill, H. R. 6916, now comes before us with an increase of only $450.

I appreciate the time spent and effort devoted by the chairman of his committee on this subject, and I appreciate the remarks of the gentleman from Texas [Mr. LYLE] placing the blame for this reduced amount squarely where it belongs. I am truly sorry for the postal employees who are receiving such shabby treatment but I trust that we may hold out hope for a future increase when a new Congress is elected.

Although I feel that $450 is inadequate I shall support the bill for the reason that no amendment being possible under our present procedure, it is $450 or nothing.

Mr. HARDY. Mr. Speaker, a wage increase for people holding civil-service positions is long overdue. I am glad this bill to provide more nearly adequate compensation for postal employees has finally been brought up. It deserves the support of every Member of this House.

However, it is regretted that we are not permitted to vote also for increased compensation to other civil servants who also find it virtually impossible to make ends meet. We should no longer delay action which is so sorely needed.

Let me urge every Member of the House to support this measure. In justice to our postal employees we must.

Mr. EVINS. Mr. Speaker, I rise in support of the pending bill. H. R. 6916, the postal employees salary increase bill may not provide all the salary increase which our postal employees deserve but the increase provided is far better than no salary increase legislation at all during this session. The $450 annual increase for postal employees in the field service is justly deserved. Likewise, the 25 cents per hour increase for hourly paid postal employees and the increase of 25 percent for our fourth-class postmasters is equally meritorious. There are no more loyal, faithful, and efficient employees in our Government service than our postal employees and I am pleased to support this legislation providing the increases for them enumerated. The present day high cost of living, coupled with the faithful and loyal service of our postal employees makes the passage of this bill highly desirable. I urge support of this salary increase legislation for employees in the Postal Department.

Mr. ALLEN of Louisiana. Mr. Speaker, I support this bill. I do so not because I think it entirely satisfactory, but because it is the only bill presented to us on the question, and I believe the postal workers had rather have this bill than no bill at all. This bill is presented to us under a move to suspend the rules which does not permit any amendment being offered. We must vote the bill up or down as it is written.

Mr. Speaker, I introduced a bill some months ago on the subject of salary raises for postal workers and my bill provided for a raise of $800. I have pushed that bill diligently. The bill presented to us today provides for $450. I do not think that is enough, but this is the bill which the Republican leadership has agrecd on and presented to us, and we are presented with the choice of taking it or leaving it. Naturally I am voting for it.

Mr. Speaker, I am disappointed that the House leadership has not presented us a bill to also give some increase to other Federal workers. I note from newspaper reports that there is some hope that when this bill gets over to the Senate, an amendment will be offered to include other Federal workers. I hope this is so. It should be done.

Finally, Mr. Speaker, while this bill is not in the sum I would like, and while it is not entirely satisfactory in other respects, I am glad the House leadership has at last decided to let us vote on even this bill. The prospects for this legislation have been rather gloomy at times, and I am glad that the bill was finally presented. I hope it passes unanimously.

Mr. LUCAS. Mr. Speaker, I think it is high time that we in this House acknowledge the obligation which we owe to the faithful public servants in the Post Office Department. I think it is high time, Mr. Speaker, that we adopt this bill in order to provide them with increased compensation.

Mr. Speaker, these people are working for us. These people serve at our will, and because their pay is determined by us, we should no longer dodge the issue. I suppose this group of Federal employees is the largest group of workers within the country which is denied the right to strike for increased wages and better working conditions. They are entirely at our mercy. Not only is it just that we pass this resolution to increase their small incomes in this day of rising costs of living, but it is our public duty to do so before this session ends.

I regret that the Republican policy committee has not seen fit to include all Federal employees in this bill. It is no more right that postal workers receive this increase than it is that all other Federal workers be given increased compensation. I hope that when this bill goes to conference, if it does, that we in the House are given an opportunity to do the right thing, the just thing, the fair thing, and pay our Government workers salaries commensurate with the high costs of living.

Mr. MORRISON. Mr. Speaker, as a member of this committee, I personally was in favor of an $800 permanent increase for all postal workers including postmasters, postal workers, and so forth. I was also in favor of another bill for a pay increase for all Federal employees in the amount of $600.

This committee reported out a bill for an increase of $585 for postal employees, and a bill for a $450 increase for all Federal employees. There was not a dissenting vote, and both Democratic and Republican members of this committee voted unanimously for these two bills in those amounts. They were arrived at through a compromise in the committee.

It is very apparent that it will be impossible to secure an increase of more than $450, as is provided for in this bill now before the House. Notwithstanding the fact that I favor an increase of $800, I am going to vote for this increase for postal workers for $450 on the theory that when it is impossible to get a whole loaf of bread a half loaf is better than none at all.

I am appealing to the leadership here in the House at this time to bring up the bill providing for a pay increase for all Federal employees of $360. While it is true that I was in favor of a $600 increase, I am going to vote for the $360 increase on the same theory that a half a loaf is better than nothing at all.

I personally want to take this opportunity to commend the various witnesses who appeared before the committee on this legislation, and to thank them for their excellent work and cooperation in this pay-increase legislation.

Mr. DONOHUE. Mr. Speaker, I feel it only my duty to urge my colleagues' approval of this legislation. I have, as most of you know, repeatedly appeared before the House and Senate Post Office and Civil Service Committees to request their favorable action on the various bills providing for a substantial compensation increase to our postal and Federal employees. With particular reference to the postal employees, I submit that this faithful corps of public servants, by their industry and devotion to their work, deserve the gratitude, respect, and admiration of all our people.

The continued newspaper articles and editorials, urging compensation increases for them, is clear and convincing evidence of the practically universal recognition of their salary adjustment needs. They are compelled to pay for their own uniforms, where required, and their 1945 increase has been nullified by our ever-rising living cost.

It is not necessary for me to take your valuable time, at this hour, in recitation of the changing economic conditions which have cut down materially the size of the purchasing dollar in the hands of the wage earners of America; indeed, the committee hearings clearly reveal the existence of economic factors which seriously handicap our postal employees in their struggle to maintain a decent way of life for themselves and their family. There is pressing and urgent need for pay adjustment, to raise the living standards of our postal employees to a more equitable level, and I earnestly exhort you to pass this bill without delay. I regret exceedingly that the provisions debated here prevent the opportunity for considering and approving a more substantial increase.

I would consider myself remiss in my obligation if I did not, at this moment, urge the Members of the Rules Committee to allow us to act upon a wage increase bill, for all our Government workers, before adjournment.

A comparative study of the revised wage scales in private industry with the compensation levels of our Federal employees will emphasize the inequities currently existing. If this Government is to uphold the tradition of efficient service administered by capable personnel, it must offer the employees wages comparable to other occupations of the same nature. The best guarantee against a turbulent America in these critical times, is the extension of a fair living wage to all our workers both inside and outside of Government employ. Our Government workers, who cannot bargain collectively for increased compensation, or strike, must be provided for by congressional action. I again sincerely request the Rules Committee to enable us to consider and approve a bill for a substantial increase to all our Government employees to permit them to meet their personal and family obligations with confidence and a high morale.

Mr. Speaker, I know that this Congress has before it many pressing problems demanding attention, but, in my opinion, and I am confident that this opinion is favored by the majority of my colleagues, none of them are more deserving of our speedy consideration than that of approving a substantial and permanent salary increase for all our faithful and efficient Federal employees.

SALARY INCREASES FOR ALL FEDERAL WORKERS

Mr. BLATNIK. Mr. Speaker, I take this opportunity to declare my support of this measure which provides a $450 pay raise for the employees of the United States Post Office Department. These workers are certainly deserving of such salary increases, and I am happy to see this legislation finally come to the floor. This measure should have been debated and passed long ago, and would have, had it not been for the obstructionist tactics of the enemy bloc who have stalled on this issue for many months.

The fact that I am going to vote for this bill, however, does not blind me to its deficiencies. For it is my opinion that an increase of $450 is little more than a token increase, and one that is wholly inadequate to affect the ever-increasing cost of living. The following facts will support this position. Under prewar legislation establishing salary schedules for postal employees, the average median salary in 1941 was only $1,902. During the war, the salaries of postal employees were raised about $800—a 40-percent adjustment. The effect of this wartime pay raise brought the average salary for postal workers to about $2,700.

Although this increase appears substantial, it is wholly inadequate for several reasons. In the first place, the cost of living has risen about 60 percent during this period when salaries were increasing by only 40 percent, the effect of which has been a reduction in the real wages of the workers, and a general lowering of their living standards. In the second place, the postal workers' salaries have not kept pace with the wages of industry. During this war period, when postal workers were receiving 40-percent pay raises, the wages in durable-goods industries were increased by 61 percent.

Thus it becomes obvious that a 20-percent salary increase over the average postal salary of $2,700 is necessary for postal workers to maintain their living standards in the face of rising living costs. It is likewise necessary to bring these workers' wages into harmony with industrial wage levels established during the war. Such a 20-percent increase amounts to $540, which is $90 above that which is provided by this bill.

But even this amount is not enough. I wish to remind the House that the industrial wage pattern is changing today, and the automobile workers, for example, are now obtaining another 10 percent pay raise. Using this as a standard, the postal workers deserve an addition $270, bringing the total increase to $810 per year. In other words, it would take this amount to give the postal workers the same take-home pay as they enjoyed in 1941, and to fit the Government's wage policy into the emerging pattern of industrial wage levels.

I also want to go on record as saying that I have favored a $1,000 pay increase for all Federal workers—both postal and classified—for some time, and that I introduced the $1,000 pay raise bill—H. R. 5526—in the House—the same bill which the gentleman from North Dakota [Mr. LANGER] introduced in the other body. I am still convinced that the thousand-dollar pay-raise objective is desirable and equitable, and that it would go far to maintain the efficiency and morale of the Federal service. Although I am supporting this bill, it is my hope that the other House will increase the amount, and amend its coverage to embrace all Federal workers.

Mr. BEALL. Mr. Speaker, in January of this year I introduced legislation to increase the salaries of both postal employees and Federal employees generally. These measures called for increases of $800 per employee to offset increased living costs. I shall support the pending bill but must express my keen regret that all Federal employees are not included. To provide increases for one group and not for another is an obvious discrimination. I sincerely hope that the Senate can provide a remedy and extend the salary increase to all Federal employees. All of them deserve this benefit.

Mr. DAVIS of Georgia. Mr. Speaker, I am glad to see legislation finally come to the floor of the House to provide a long-delayed and much-needed salary increase for postal workers. On April 21, nearly 2 months ago, the House Post Office and Civil Service Committee reported out H. R. 5667, which provided a raise of $585 per year for postal employees. This bill also was retroactive by its terms to April 1, 1948.

I have on several occasions, since that bill was reported out by our committee, urged that the House take action to provide this salary increase.

After much uncertainty and apprehension regarding the fate of that bill, we are today taking final action in the House for salary increases to this group of Federal employees. I am glad that this bill by its terms will be permanent, rather than temporary. I regret that it does not provide a figure which will more adequately take care of the increased cost of living.

I introduced on December 17, 1947, H. R. 4772, which, if enacted, would provide a salary increase of $600 per annum for postal employees. At the time I introduced that bill, based upon a report furnished by the Bureau of Labor Statistics, it was my opinion that $600 would take care of the increase in the cost of living. I am disappointed that the raise provided in the bill now under consideration is $150 lower than the figure called for in my bill.

Under all the circumstances, inasmuch as it is a question of supporting this bill or nothing at all, I shall vote for it.

I take this occasion to say, however, that other Federal employees are also entitled to a salary increase to meet the present high cost of living, which they are experiencing just the same as postal employees.

I earnestly urge that legislation to provide such an increase for the other Federal employees be enacted either today or tomorrow, before this present session of Congress ends.

In my opinion the postal-rate increases provided in title II of this bill now under consideration should not be considered along with and as a part of the bill providing a raise for postal employees. The House Post Office and Civil Service Committee held extensive hearings regarding postal-rate increases. I am opposed to the increase in air-mail postage, and I am opposed to certain of the parcel-post and third-class mail rate increases. I voted against these rate increases when the postal rate bill was before the committee, and I would vote against these rate increases now if they were being considered on their own merits. They have been attached to this postal employees salary increase bill, and inasmuch as the two items cannot be separated under present procedure, I am voting for the bill as a whole. It is my earnest hope the conference committee may see fit to eliminate that part of the bill which relates to postage rates if this legislation goes to a conference committee.

Mr. REES. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, I merely want to say that I shall support and vote for H. R. 6916 with pleasure and confidence. This is the largest single raise that has ever been granted to the postal employees, and a well merited one. They receive this increase, and they have also received a substantial reduction in income taxes. This entire committee has labored ever since I have been in the Congress to bring forth some such legislation, and I think that we have good reason to be proud of it. I know that the postal employees are glad to have a permanent raise.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I will only have time in the 2 minutes allotted me to make a few brief observations on this bill. First of all I want it understood that I am in favor of an $800 permanent increase for both postal employees and other Federal employees. I also feel that the wages of wage board employees should be increased proportionately. Secondly, I want to point out that I am going to vote for this bill because I have no alternative. It is better that we give our deserving postal employees a few crumbs than to give them no legislation at all. Thirdly, however, I want to state that neither the postal pay legislation nor the postal rate legislation included in this bill is the legislation originally reported out by the Committee on Post Office and Civil Service.

More than a year ago that committee reported out legislation recommending postal rate increases. I personally did not favor that legislation because I look upon the Post Office Department, as I look upon all departments of the Government, as an agency to serve the public and not as a money-making institution. Much less, however, do I favor the manner in which postal rate increases have been added to this bill.

In this bill we are not increasing the rates of these users of the mail responsible for the largest portion of the present deficit in the Post Office Department. On the contrary, the Republican policy committee has chosen to pick on those of least poltiical influence. They have done this unfairly, because they have added to the postal-pay legislation postal-rate-increase legislation, making it difficult for those affected by such rate increases to come in and protest, since they recognize as over 200 Members of this House, testifying before our committee, recognized that there is a dire need for a pay increase for our postal and other Federal employees. It is unfair to tie up a part of our postal rate legislation with a part of our salary increase legislation and bring it back to the committee with the ultimatum that we take this or get nothing. I insist that both the postal-pay legislation and the legislation designed to increase postal rates should have come before the House on their own respective merits.

Lastly, it has been said that neither the President of the United States nor the Bureau of the Budget has recommended this legislation. May I call the attention of the House to the fact, however, that when the President said he did not favor increases in salary legislation, he hinged that statement specifically upon his recommendation that the Congress had to do something to control the spiral of inflation. The President was thinking in terms of the purchasing power of the money received by our Federal employees.

I am quite sure that since the Congress has failed to do anything about the rising cost of living, the President, as does every Member of the House Committee on Post Office and Civil Service, recognizes the need for salary increases for our postal and other Government employees. I have no doubt under these circumstances but that he will give his approval to legislation providing for such increases.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.)

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am supporting this legislation even though it does not give sufficient relief to our postal employees. It is my understanding that we will not, during this session, have an opportunity to vote for an increase in compensation to Government employees, nor will we have an opportunity to vote for the larger amount in increase for postal employees. This I regret but I shall certainly vote that the postal employees receive something, rather than nothing at all for their faithfulness.

I want to quote from a telegram just received from one of the local federation of post office clerks in my district as follows:

Efficient postal service most important during peace or war, under Democrats or Republicans, whether rain or shine.

Gentlemen, none of us would deny that the above is true, for our postal employees have been faithful at all times and rendered efficient postal service.

I appeared before the House Committee on Post Office and Civil Service months ago and urged that the increase in compensation legislation be reported favorably to the House in order that this body might have an opportunity to stand up and vote thereon.

None of us can deny that living costs have increased. I have been advised that many of our faithful and efficient postal workers must retire from Government service and seek employment with private industry in an endeavor to support their families, if they are not allowed an increase. In many instances the wife and mother has had to seek outside employment in an endeavor to supplement a salary paid her husband as a faithful employee, in order that the family might have, not the luxuries of life, but the necessities.

An increase of $800 would be more in keeping with the increase in living conditions and this amount is what I had hoped to have an opportunity to support.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I rise rather reluctantly to support this bill. I say reluctantly because I feel that it is entirely inadequate. The Committee on Post Office and Civil Service held extensive hearings, and with only

one dissenting vote passed out a bill authorizing $585 a year increase in salaries for faithful postal workers. They passed out a second bill recommending $468 a year for classified workers in the Federal service. These measures are well merited. We had extensive testimony showing the cost of living and its impact upon faithful public workers. It was definitely shown to us that these people had to supplement their earnings with outside employment, and I submit that is not in the best interests of the Government, or they had to have their wives work.

What happened? These bills were reported from the committee about 2 months ago. They have reposed in the Committee on Rules since that time. They came out of the Committee on Post Office and Civil Service with only one dissenting vote. They represent a compromise, because many of us felt that $585 was inadequate. They came out with one dissenting vote, a compromise between the majority and minority members of the committee. I submit that is the factual finding of the committee. Then what happened? Two days ago we were given this bill and told that we would have to take $450 or nothing. I cannot vote against the bill because I know the plight of these workers. I know the condition in which they find themselves. So I am constrained to take it. That is why I say to you I very reluctantly recommend the passage of the bill. The faithful public workers of this country asked for bread, and the Republican policy committee handed them a stone—a stone, if you please, covered with the slime of partisan politics.

Mr. HEDRICK. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. HEDRICK. Does not the gentleman believe that with the high cost of living, these postal employees should have at least an $800 raise at this time?

Mr. MILLER of California. I am happy to concur in the thought expressed by my good friend, the gentleman from West Virginia, Dr. HEDRICK. They should have an $800 increase.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the distinguished chairman of the committee.

Mr. REES. Of course, we were in the unfortunate, or whatever position you would like to call it, of getting no help from the Bureau of the Budget on this problem. The Post Office Department, as the gentleman knows, did not recommend any of this increase.

Mr. MILLER of California. I appreciate that, Mr. Chairman, but the Democratic Members of your committee without exception support this raise.

Mr. REES. I understand that.

Mr. MILLER of California. We stand on the record that we support the raise and we now want the raise. We are not going to let you and the Republican policy committee hide behind the President's skirts. You could have followed him, sir, on the matter of retaining controls to hold down the high cost of living. To stop inflation. You could have done that.

Mr. REES. Of course, if you are talking about the OPA, that is something else.

Mr. COMBS. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. COMBS. May I say that all members of our committee worked in harmony, Republicans as well as Democrats, and have done a splendid job, including the distinguished chairman.

When the President's Budget Bureau suggested no Federal pay raise, he requested private industry to make no raises. That all had to do with the problem of inflation. Private industry now has had to raise wages because of the continued raise in living costs.

Mr. MILLER of California. I thank the gentleman from Texas for his pertinent observation.

Mr. REES. Mr. Speaker, I yield the remaining time to the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Speaker, first I want to congratulate our distinguished Speaker, the gentleman from Massachusctts [Mr. MARTIN], and the distinguished majority leader, the gentleman from Indiana [Mr. HALLECK] for having the courage and showing their interest in getting a pay raise for the postal workers by bringing to the floor of the House permanent legislation providing for a $450 a year increase for them in the face of the opposition of the President, the Budget Bureau, and of this administration, which is now in power in the exccutive branch. I want to congratulate them. Secondly, I want to say to those Democratic Members who have made a political issue out of this in the debate, that you are fooling no one, and certainly not the officials of the postal organization employees. It is well known that the men in high union positions representing all the workers, are much more pleased with this $450 a year permanent increase than if they had the bill you Members have been talking about providing for $585 temporary increases. Any of them will tell you that, and doubtless most of them have told you Members who arc trying to make a political issue out of this, that they are extremely pleased with this bill and would rather have the $450 permanent increase than a $585 a year temporary increase. Why try to deceive the postal workers in your district by the statements you have made in this debate?

Third, let me suggest to you people that you are following the line that you followed on every bill to spend money since I have been in Congress. If you were not so thoroughly imbued with the idea of tremendous appropriations for flood controls along the Brazos River in the State of Texas—the State from which the gentleman from Texas [Mr. LYLE] hails—and for flood control, and every other expense, and for the spending of billions and billions of dollars, much of it wasted, we would have more money to give to the postal workers.

From the well of this House I said to you people who were so insistent that we have $6,800,000,000 for the first year of the ERP to give to Europe that the postal workers were coming along; that we better save something for them and for Federal aid to education. Yet, you put into the bill every billion and every million possible. Your record has been to increase every appropriation. Your record has been one of such waste and spending that it is a wonder we have any money left to give any raise in wages for the splendid and deserving postal employees of this country.

Let me repeat, were it not for the fight for economy that the Republican Party has made for the past 5 or 6 years, and particularly the last 2 years, you would not have any money with which to raise the pay of these Federal employees.

This Republican Congress in this session has to its credit the enactment of the most liberal employees' retirement bill for all Federal employees in the history of this Government. It means almost countless millions in benefits to them now and in the future. This Congress has passed dozens of bills, all beneficial to postal and Federal employees, and most every one was reported out of our committee.

Let the undisputed record show that during this and the prior session of the Eightieth Congress that more and better legislation has been passed in the interest of postal employees than was ever before passed by any Congress since the beginning of this Republic. No one can dispute this fact.

The SPEAKER. The time of the gentleman from Illinois [Mr. VURSELL] has expired.

All time has expired.

Mr. REES. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JAVITS. Mr. Speaker, I have supported the pay raise for the hard-working postal workers whose living standards are so seriously jeopardized by the high cost of living, and I am very gratified that the House today will perform at least some part of this act of justice. I advocated a $1,000-per-year pay raise before the House Commmittee on Civil Service and Post Office and believe that this was needed. The House today is making a start in recognizing that because a man works for his Government does not not mean that he is not worthy of his hire. On the contrary the Government should be the first to recognize the need for adjusting wage scales to costs of living because individual initiative of the employee in asking for a raise is so much more difficult with the Government. I hope that in the next session Congress will again examine this question with a view toward seeing that its action is adequate to the need

The SPEAKER. Thc question is on the motion of the gentleman from Kansas to suspend the rules and pass the bill H. R. 6916.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. ROSS. Mr. Speaker, I want to commend the distinguished gentleman from Kansas [Mr. REES], chairman of the House Post Office and Civil Service Committee, for keeping his pledge to bring legislation before the House providing salary increases for postal employees and other Federal workers.

The House has just passed by unanimous vote the bill granting a permanent increase of $450 per annum for postmasters and postal employees. I do hope before the Congress adjourns we will pass a similar bill which is pending providing for a temporary increase of $360 per annum for other Federal workers.

Along with a number of my colleagues, I introduced last December bills which would provide an increase of $800 for workers in both of these categories. I believed then—and I still believe—that an increase in this amount would be fair and equitable and necessary in order to bring their income in line with the increased cost of living. It is regrettable that it has been determined that conditions will not permit at this time an increase larger than that which has been approved for postal workers and that which has been proposed for Federal workers.

Mr. Speaker, I earnestly urge and sincerely hope that during the congressional recess the House Committee on Post Office and Civil Service will make a thorough study of the relation of the pay schedules of postal and other Federal employees to the rise in the cost of living since 1940, so that the Congress when it returns next January may provide for additional compensation for loyal and deserving Government workers. I shall strongly support a further increase.

FEDERAL ALCOHOL ADMINISTRATION ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the bill (H. R. 5849) to amend the Federal Alcohol Administration Act, and for other purposes, and that the same be rereferred to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTION OF ROLL CALL

Mr. BURKE. Mr. Speaker, I understand that on roll call No. 122 I am not recorded. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD just before the vote on the last bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONTESTED ELECTION CASE—WILSON AGAINST GRANGER

Mr. LECOMPTE, from the Committee on House Administration, submitted a privileged resolution (H. Res. 692) relative to the contested election case of Wilson against Granger, First Congressional District of Utah, which was referred to the House Calendar and ordered printed.

EXTENSION OF REMARKS

Mr. ROSS asked and was granted permission to extend his remarks in the RECORD immediately following the passage of the postal bill.

Mr. HOFFMAN asked and was granted permission to revise and extend the remarks he made yesterday.

Mr. HARDY asked and was granted permission to extend his remarks in the Appendix and include some newspaper articles and other extraneous matter.

EXTENSION OF REMARKS

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

AIR PARCEL POST

Mr. REES. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6773) to provide for an air parcel-post service, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That the rate of postage on mailable matter exceeding 8 ounces in weight, but not weighing more than 70 pounds nor measuring more than 100 inches in length and girth combined, when carried by air and including other transportation to and from air-mail routes, shall, except as otherwise herein provided, be determined on the basis of the eight postal zones established for fourth-class matter, as follows:

(1) For delivery within the first or second zones, 55 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 4 cents for each additional pound or fraction thereof.

(2) For delivery within the third zone, 60 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 8 cents for each additional pound or fraction thereof.

(3) For delivery within the fourth zone, 65 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 14 cents for each additional pound or fraction thereof.

(4) For delivery within the fifth zone, 70 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 24 cents for each additional pound or fraction thereof.

(5) For delivery within the sixth zone, 75 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 33 cents for each additional pound or fraction thereof.

(6) For delivery within the seventh zone, 75 cents for the first pound, or fraction of a pound in excess of 8 ounces, plus 45 cents for each additional pound or fraction thereof.

(7) For delivery within the eighth zone, which, with respect to air parcel post, shall include all offices located in continental United States beyond the seventh zone, 80 cents for the first pound or fraction thereof over 8 ounces, plus 65 cents for each additional pound or fraction thereof.

(8) For air parcels exchanged between offices in continental United States and offices in Territories and possessions of the United States in either direction, and between offices within such Territories and possessions, the applicable zone rate shown in paragraphs (1) to (6) of this section shall apply to and including the seventh zone: *Provided*, That for offices falling in the eighth zone the rate of postage for air parcels weighing in excess of 8 ounces shall be 80 cents for each pound or fraction thereof.

(9) Mailable matter of light weight in relation to size shall be subject to such surcharge as may be determined by the Postmaster General to be warranted by reason of the extra space and care required in handling and transporting such mail matter.

(10) The Postmaster General is authorized and directed to make such rules and regulations, not inconsistent with the Civil Aeronautics Act of 1938 (52 Stat. 973), as amended, or any order, rule, or regulation made by the Civil Aeronautics Board thereunder, as may be necessary for the safe and expeditious transportation by air of mail matter weighing in excess of 8 ounces.

(11) The Postmaster General is further authorized and directed for the period of 2 years, notwithstanding the provisions of paragraphs (1) to (9), inclusive, of this section, to adjust from time to time the weight limit, size, rate of postage, zone or zones or conditions, or either, in order to promote the service to the public and assure the receipt of revenue from such service adequate to pay the cost thereof.

SEC. 2. The Postmaster General is hereby authorized, in the disbursement of the appropriation for domestic air-mail service, to apply a part thereof to the purpose of leasing suitable quarters at public airports for use in the handling and distribution of air mail at a reasonable rental to be paid quarterly or monthly, for a term not exceeding 20 years.

SEC. 3. Section 1 of the act of August 14, 1946 (Public Law 730, Seventy-ninth Congress, second session), entitled "An act to fix the rate of postage on domestic air mail, and for other purposes," is hereby amended to read as follows:

"The rate of postage on domestic air mail weighing 8 ounces or less shall be 5 cents for each ounce or fraction thereof: *Provided*, That the rate of postage on air mail of the first class weighing in excess of 8 ounces shall be the rate provided for air parcels but in no case shall be less than 3 cents an ounce or fraction thereof."

SEC. 4. This act shall take effect on the first day of the third month following the month of enactment.

Mr. MURRAY of Tennessee. Mr. Speaker, I demand a second.

Mr. REES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. Under the rules, the gentleman from Kansas is recognized for 20 minutes and the gentleman from Tennessee for 20 minutes.

Mr. REES. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Kansas is recognized for 5 minutes.

Mr. REES. Mr. Speaker, it establishes initial rates for the carrying of parcels exceeding eight ounces and not exceeding 70 pounds by air. These rates are set up in accordance with the regular eight parcel post zones, and the committee has been assured by the Post Office Department that the rates provided will return to the Department sufficient revenue to pay the expenditures of this new service.

appropriating $450,000 additional for REA administrative expenses. As reported from conference, the bill provides for liquidation of the War Assets Administration, as proposed by the House, but makes such liquidation effective Feb. 29, 1949, instead of Aug. 31, 1948, and appropriates $65,000,000 (House, $50,000,000; Senate, $90,000,000).

46. HOUSING. Discussed H. R. 6959, the House substitute for S. 866, the T-E-W housing bill, but took no action (pp. 9258-62, 9264-5). The subject was also discussed in the House (pp. 9276-7).

47. ECONOMY; PERSONNEL. Received reports from the Joint Committee on Reduction of Nonessential Federal Expenditures regarding employment, etc., in the various departments and agencies (pp. 9206-16).

48. PAY RAISE. Passed with amendment H. R. 6916, to provide for permanent postal rates and increase the salaries of certain P. O. employees (pp. 9245-57). Conferees were appointed in both Houses (pp. 9257, 9381-2). The Senate amendment provided for revision of the classification structure in the Classification Act; increases in salaries of certain department heads, etc.; elimination of the $10,000 ceiling; and a $360 increase in salaries of Classification Act employees.

49. FOREIGN RELIEF. Concurred in the House amendments to S. 2376, providing for a revolving fund for purchase of agricultural commodities to be processed in occupied areas and sold (pp. 9271-2). This bill will now be sent to the President.

50. INDIAN RESERVATIONS. Passed as reported S. J. Res. 162, to rescind certain Interior Department orders establishing Indian reservations in Alaska, except for land actually used, including certain forest lands (pp. 9268-70).

51. DISASTER LOANS. Concurred in the House amendment to S. 2877, authorizing additional disaster loans by RFC, with an amendment increasing the amount to $40,000,000 (p. 9228). The House concurred in this amendment to its amendment (p. 9355). This bill will now be sent to the President.

52. ARMY MILITARY APPROPRIATION BILL. Both Houses agreed to the conference report on H. R. 6771, this bill (pp. 9205-6, 9322-6). This bill will now be sent to the President.

53. TENNESSEE VALLEY AUTHORITY. Sen. McKellar, Tenn., inserted a letter defending his record regarding TVA (pp. 9257-8).

54. RECLAMATION. Sen. Watkins, Utah, inserted his statement criticizing the Bureau of Reclamation's record (pp. 9196-9).

The House

55. FOREST LANDS. /passed as reported S. 1243, providing for payment of certain national-forest receipts to the Warm Springs Indians, Oreg. (p. 9283). The Senate concurred in the amendments(p. 9199). This bill will now be sent to the President.

56. ALASKA DEVELOPMENT. Received from the Interior Department proposed legislation (1) to settle and extinguish land claims to the public domain in Alaska, and (2) to promote the settlement and development of the public domain in Alaska by facilitating the construction of necessary housing therein; to Interior and Insular Affairs Committee (pp. 9199-200).

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57. ROAD AUTHORIZATIONS. Agreed to the conference report on H. R. 5888, authorizing additional appropriations for roads, including forest highways and forest development roads and trails (p. 9278). This bill will now be sent to the President.

58. FLOOD DAMAGE. Rep. Angell, Oreg., inserted a statement by this Department regarding recent agricultural flood damage in the Columbia Basin (pp. 9281-2).

59. CIVIL-SERVICE RETIREMENT. Concurred in the Senate amendment to H. R. 6651, to provide annuities for certain surviving spouses of annuitants retired prior to Apr. 1, 1948 (p. 9290). This bill will now be sent to the President.

60. MINERALS. Concurred in the Senate amendment to H. R. 4856, to delay liquidation of mineral interests reserved to the U. S. under the FHA Act (p. 9290). This bill will now be sent to the President.

61. TAXATION. Passed as reported H. R. 6712, to provide for revenue revision, to correct tax inequalities, and for other purposes (pp. 9290-322).

62. REMOUNT SERVICE. Passed without amendment S. 2698, to transfer certain Army horses to the New Mexico Military Institute, except those used in the Remount Service program (p. 9331). This bill will now be sent to the President.

63. INFLATION. Rep. Philbin, Mass., urged legislation to control the cost of living (pp. 9356-7).

64. SUGAR. Rep. Marcantonio, N. Y., discussed the economic situation in Cuba and Puerto Rico, particularly regarding sugar production, etc. (pp. 9384-8).

BILLS INTRODUCED - June 19

65. ALASKA DEVELOPMENT. H. R. 7001, to aid the settlement of Alaska and its development; to Public Lands Committee; by Rep. Welch, Calif. (p. 9392).
H. R. 7002, by Rep. Welch, to settle and extinguish land claims in Alaska; to Public Lands Committee (p. 9392).

66. PERSONNEL. H. R. 7003, by Rep. Wolcott, Mich., to provide for a cash allowance for uniforms for U. S. employees; to Post Office and Civil Service Committee (p. 9392).

67. SUGAR. H. R. 7004, by Rep. Marcantonio, N. Y., repealing Sec. 202 (e) of the Sugar Act of 1948; to Agriculture Committee (p. 9392).

NOTE: The Congressional Record for June 19 does not include actions after 10:20 p. m. on that day. The next Record, which will include actions later that day and on June 20, will not be printed until Monday night, June 21, and will be available Tuesday morning. It is understood, however, that Congress took final action on the foreigh-aid appropriation bill and the long-range farm program bill.

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two alternatives, if there is an alternative, would best serve the program of continuity of the work the Commissioners are now doing, and the program, which is essential, as I agree with the Senator from Connecticut, to our national defens? I will say that that question has been posed to me by a large number of Senators, and I should like to have the benefit of the Senator's judgment in regard to the alternative, if it is an alternative.

Mr. McMAHON. I will say to the Senator from Kentucky that the best thing that could happen for the welfare of this Commisison, in the opinion of the Senator from Connecticut, and therefore the best thing in my opinion for the welfare of the United States, would be the rejection of this bill and the confirmation, before the Senate recesses, of these Commisisoners. I cannot accede to the dilemma that is posed by the Senator from Kentucky, because in my opinion the issue that is raised here is so vital, and so basic to our whole future system of preparedness that I cannot accede to the dilemma upon which the senior Senator from Kentucky finds himself impaled.

I call the attention of the Senator to the fact that these men are in a real sense like the Commander in Chief of the Navy, Admiral Denfeld, or General Bradley of the Army. We must not establish a precedent in this matter that shall serve those who might wish for political reasons to change the Chiefs of our Army or Navy. In my opinion the bill should be rejected, and if it is rejected, then I say to the Senator from Kentucky that this Congress may adjourn at 12 o'clock tonight, but if it adjourns sine die at 12 o'clock tonight those Commissioners will be confirmed for the statutory time provided for under the law.

Mr. BARKLEY. May I further pursue the matter? If I were as sure as the Senator from Connecticut seems to be, that the rejection of this bill would result in their confirmation for the full term, I would certainly agree with him. But I am wondering on what basis we have any assurance that if the bill is rejected, the nominees would be confirmed, and if they are confirmed, whether the dilemma of which I spoke would then arise.

Mr. McMAHON. The reason I am so confident, I will say to the Senator from Kentucky, that that would be the course of events, is that I cannot conceive that the leadership on the other side of the aisle would permit the Congress to recess and go home leaving this situation to interim nomination.

Mr. BARKLEY. I thank both Senators.

Mr. MORSE. Mr. President, I shall speak but briefly. It was not my intention to speak at all, but I understand there may be a question as to whether a record vote will be taken. Therefore, I wish to make my record on the bill. I still hope we can have a record vote, because I know of no good reason why Members of the Senate should not be willing to put themselves on record on this question.

I have analyzed this problem to the best of my ability. I have listened to the able arguments of the Senator from Connecticut [Mr. McMAHON] and my dear friend the distinguished Senator from Michigan [Mr. VANDENBERG]. Although I seldom find myself in disagreement with the Senator from Michigan, I regret that on this occasion I do, because the issue to me is very simple. These men are either qualified or they are not qualified for the positions to which they are appointed. If they are qualified, then it seems to me they are qualified for the statutory period and not for any compromise period that has been worked out short of that statutory period. I think the interests of the country are so great and so serious in this matter, Mr. President, that we ought to know for a certainty whether or not these men should be entrusted with the solemn duties and obligations which are theirs under this assignment.

As the Senator from Connecticut has pointed out, these nominations have been before the committee now since some time in April. I think the issue should be met here as to whether or not we ought to confirm them because we think they are able to do the work for the statutory period, or reject them, and if they are not able to do it for the statutory period, then I say we ought not to confirm them for a lesser period.

Therefore I shall reluctantly vote against the proposal to confirm them for a 2-year period.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The question now is on the passage of the bill.

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were not ordered.

The bill (H. R. 6402) was passed.

The PRESIDING OFFICER. Without objection, Senate bill 2589 will be indefinitely postponed.

EXTENSION OF TIME TO PRINT TRIBUTES TO DECEASED SENATORS

Mr. WHERRY. Mr. President, I ask unanimous consent that Senators having statements on the life, character, and public service of the deceased Senators for whom memorial services were held on April 21, 1948, may have leave to insert them in the CONGRESSIONAL RECORD to be issued subsequent to the adjournment or recess of the session today.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN COMPENSATION OF POSTAL AND OTHER GOVERNMENT EMPLOYEES

Mr. TAFT. Mr. President, I ask the Chair to lay before the Senate House bill 6916.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department was read twice by its title.

Mr. TAFT. Mr. President, I ask for immediate consent of the House bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. TAFT. Mr. President, as the Senate knows, there have been on the calendar for some time bills recommended by our Civil Service Committee for increasing the pay of postmasters and also a bill increasing the pay of Government employees in general. There have been constant conferences with the House as to what they might be willing to accept, and we finally worked out an agreement, so far as we can reach an agreement, under which the House agreed to a $450 increase for postal employees. The House up to this time has been unwilling to increase the pay of other employees, and the House has sent to the Senate a bill which merely increases the pay of postal employees by $450, and also imposes certain increases in postal rates.

It is my proposal that we amend the bill by a substitute which increases postal employees pay $450, and which increases the pay of other employees $360, and which provides certain other increases in the upper brackets, which will be explained by the distinguished Senator from Vermont [Mr. FLANDERS].

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Does the able Senator from Ohio say that the total amount of the increase for postal employees is $450?

Mr. TAFT. Yes, $450 per person.

Mr. President, very roughly it seems to me that both of these classes of employees ought to be increased, and if my proposed substitute is adopted it will be sent to conference with the House, and I hope the House may take the increase for the other employees as well as the postal employees. I cannot guarantee that they will do so. Some House Members seem to be in favor and others not, but I think very likely the conferees on the part of the House might accept that addition to the bill.

Mr. PEPPER. Does the House bill provide for an increase of $450?

Mr. TAFT. The House bill provides an increase of $450, and we propose to go along with the House on that amount. It is the highest figure it is possible to get the House to accept. We also propose to add a general increase of $360 for other Government employees as well as a provision for reclassification, which would give them on an average an additional increase of perhaps something a little less than $100. That increase will be $88, according to the Senator from North Dakota [Mr. LANGER]. It provides also for an increase in the salaries of those above $10,000 which will be explained by the Senator from Vermont [Mr. FLANDERS]. Both these groups are entitled to an increase. Very roughly, the figures show that whereas the cost of living has increased about 70 percent, the postal pay increase will be about 70 percent, both over 1939 figures.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BYRD. Does the Senator from Ohio have an estimate of the cost of those two increases?

Mr. TAFT. The two increases will cost approximately half a billion dollars.

I will leave it to the Senator from Vermont to say exactly what it is. I think the postal increase is about $185,000,000.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FLANDERS. I will say to the Senator from Ohio, and for the information of the Senator from Virginia, that the postal increase amounts to about $206,000,000. The increase to classified workers amounts to about $305,000,000. There are certain other officers and employees with respect to whom the increase would amount to about $1,000,000. Those are the top figures.

Mr. FULBRIGHT. Mr. President, I cannot hear what the Senator says.

Mr. TAFT. Roughly speaking, the postal increase is $200,000,000, classified employees, $300,000,000 and one or two million for the upper brackets.

Mr. BYRD. The postal employees increase is more than $200,000,000.

Mr. TAFT. The figure is $206,000,000.

Mr. FLANDERS. Two hundred six million dollars for the postal employees, $305,000,000 for the classified employees; and then the higher executive officers, from the Cabinet class down through heads of bureau, amounting to $1,000,000. Then there is $11,000,000 for legislative, judicial, customs clerks, and other miscellaneous workers, making a total of $523,000,000.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BYRD. May I ask the Senator from Ohio whether he proposes to increase the postal rates in his substitute?

Mr. TAFT. No. The substitute does not increase postal rates. The Committee on Post Office and Civil Service felt that there were a number of those rates brought into question. They did not want to accept the rates. They want to have the question in conference, where they can discuss the individual raises which are proposed. It seemed the wise thing to substitute a bill without those rates, so that they will all be in conference.

Mr. BYRD. This will involve an increased burden on the Treasury, so far as Senate action is concerned, of $523,000,000.

Mr. TAFT. Yes. I think the rates should clearly be increased.

On the general question of the justice of the increase, I cannot see any answer to the fact that if the cost of living has increased 70 percent since 1939, if the general salaries of workmen in factories today have increased about 110 percent or 120 percent, if the average of all nonagricultural workers has increased 80 percent, it seems to me that we cannot be criticized. I do not see how we can avoid the duty of at least a 70-percent increase for general employees. This proposal works out almost exactly as a 69-percent increase for civil-service employees over prewar, and about a 75-percent increase for postal employees, over prewar. In 1939 postal employees had gone for a much longer period without an increase—practically since 1922, as I remember—and they were comparatively lower at that time than other civil-service employees. I think the additional 5 percent is justified.

Mr. BYRD. The Senator takes into consideration, does he not, the other increases made since 1939?

Mr. TAFT. Oh, yes. This includes everything. I have all the figures. I ask unanimous consent to place in the RECORD at this point the table, from which I will eliminate the unnecessary matter.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE B.—*Comparison of compensation of Federal classified and postal employees with compensation paid in private industry*

[NOTE.—Cost of living increase since 1939=69.3 percent [1]]

Item	Number of employees at present [2]	Amount, 1939	Present		Proposed increase:[3] $450 postal, $360 classified	
			Amount	Percent increase over 1939	Amount	Percent increase over 1939
Manufacturing employees:[4]						
Annual earnings:						
Estimated full-time average [5]	15,850,000	$1,363.00	$2,850.00	109.0		
Estimated actual average [6]	15,850,000	1,020.00	2,700.00	165.0		
Weekly earnings (production workers only)	12,600,000	23.86	49.26	106.0		
Hourly earnings (production workers only)	12,600,000	.63	1.22	94.0		
Retail trade employees:						
Annual earnings:						
Estimated full-time average [5]	6,800,000	1,224.00	2,450.00	100.0		
Estimated actual average [6]	6,800,000	930.00	2,300.00	147.0		
Weekly earnings	6,800,000	21.17	36.67	73.0		
Hourly earnings	6,800,000	.54	.99	83.0		
Federal Government employees in positions under Classification Act:[7]						
Total	[8] 823,807					
Average rates, weighted by the employment in each period:						
Annual		1,993.00	3,006.00	51.0	$3,377	69
Weekly		38.33	57.81	51.0		
Average rates, weighted by July 1947 employment in both periods:						
Annual		2,288.00	3,006.00	31.0	3,377	48
Weekly		44.00	57.81	31.0		
Annual starting rate by grade:						
Grade 2:						
SP-1	288	1,020.00	1,690.00	66.0	2,070	102
CPC-2	25,193	1,080.00	1,690.00	56.0	2,070	91
CAF-1	4,113	1,260.00	1,756.00	39.0	2,070	64
CPC-3	22,558	1,200.00	1,822.00	52.0	2,130	77
SP-2	12,597	1,260.00	1,822.00	45.0		
Grade 3:						
CAF-2 and SP-3	119,828	1,440.00	1,954.00	36.0	2,430	68
CPC-4	18,387	1,320.00	2,020.00	53.0	2,430	84
CAF-3 and SP-4	155,013	1,620.00	2,168.00	34.0	2,500	54
CPC-5	7,648	1,500.00	2,244.00	50.0	2,570	71
Grade 4:						
CAF-4 and SP-5	100,239	1,800.00	2,394.00	33.0	2,870	59
CPC-6	18,286	1,680.00	2,469.00	47.0	2,870	71
P-1, SP-6, and CAF-5	69,569	2,000.00	2,645.00	32.0	2,970	49
CPC-7	9,489	1,860.00	2,695.00	45.0	2,970	50
Grade 5:						
CPC-8	3,371	2,000.00	2,896.00	45.0	3,470	74
CAF-6 and SP-7	29,506	2,300.00	3,021.00	31.0	3,470	51
CPC-9	1,227	2,300.00	3,272.00	42.0	3,595	56
P-2, SP-8, and CAF-7	72,661	2,600.00	3,397.00	31.0	3,720	43
Grade 6:						
CPC-10	894	2,600.00	3,648.00	40.0	4,220	63
CAF-8	13,152	2,900.00	3,773.00	30.0	4,220	46
P-3 and CAF-9	58,869	3,200.00	4,150.00	30.0	4,570	43
Grade 7:						
CAF-10	6,770	3,500.00	4,526.00	29.0	5,270	51
P-4 and CAF-11	32,236	3,800.00	4,902.00	29.0	5,270	39
Grade 8: P-5 and CAF-12	24,929	4,600.00	5,905.00	28.0	6,320	38
Grade 9: P-6 and CAF-13	11,002	5,600.00	7,102.00	27.0	7,470	34
Grade 10: P-7 and CAF-14	4,372	6,500.00	8,180.00	26.0	8,570	32
Grade 11: P-8 and CAF-15	1,610	8,000.00	9,975.00	25.0	10,070	26

Footnotes at end of table.

TABLE B.—*Comparison of compensation of Federal classified and postal employees with compensation paid in private industry.*—Con.

Item	Number of employees at present [2]	Amount, 1939	Present		Proposed increase:[3] $450 postal, $360 classified	
			Amount	Percent increase over 1939	Amount	Percent increase over 1939
U. S. Post Office Department: [9]						
Average annual earnings: [10]						
Total	296,209	$1,894.00	$2,857.00	$51.0	$3,307	75
Departmental	1,710	2,239.00	3,232.00	44.0	3,682	64
Field service:						
Total	294,499	1,892.00	2,855.00	51.0	3,305	75
City delivery carriers	66,335	2,008.00	2,954.00	47.0	3,404	70
Clerks, first- and second-class offices	104,745	2,165.00	3,012.00	39.0	3,462	60
Annual starting rates: [11]						
Clerks, first- and second-class offices	89,182	1,700.00	2,100.00	23.5	2,550	50
Mail handlers	5,213	1,500.00	2,000.00	33.3	2,450	63
City delivery carriers	67,896	1,700.00	2,100.00	23.5	2,550	50
Clerks, railway-mail service	23,115	1,900.00	2,300.00	21.1	2,750	45

[1] Based upon the increase in the Consumers' Price Index of the Bureau of Labor Statistics between Aug. 15, 1939, and Mar. 15, 1948.
[2] Federal employment shown in this column represents total within grade, although rates shown are starting rates only.
[3] Increases for "postal" employees are flat amounts for each person. Increases for "classified" employees include (*a*) an average $100 per person resulting from revision of the Classification Act of 1923, plus (*b*) a flat increase for the balance shown.
[4] Source: BLS, Department of Labor.
[5] Full-time equivalent annual earnings, as published by the U. S. Department of Commerce. Data for 1947 estimated.
[6] Full-time equivalent annual earnings, as reported in the line above, minus estimated loss in earnings through lay-offs, sickness, strikes, etc.
[7] Source: Federal Employment Statistics staff of U. S. Civil Service Commission.
[8] Excludes 212 messengers under 18 years of age in present CPC-1, and 3,836 clerical-mechanical employees paid at hourly rates. Employment is as of July 31, 1947; comparable employment as of Dec. 31, 1947, was 784,000.
[9] Sonrce: Office of Budget and Planning, U. S. Post Office Department.
[10] Employment represents an average for the fiscal year ending June 30, 1947. Earnings represent total pay roll for the fiscal year divided hy the average employment.
[11] Employment is as of June 30, 1947.

NOTE.—The 823,807 employees shown ahove in Federal positions under the Classification Act of 1923, represent only those in the executive hranch within continental United States (exclusive of clerical-mechanical employees who are paid on an hourly basis) as of July 31, 1947. (This group numbered 794,000 as of Dec. 31, 1947.) The figure, therefore, is lower than the 846,155 employees upon which the estimates of annual pay-roll costs of proposed pay increases were based, which covered all employees in positions under the Classification Act of 1923 (exclusive of clerical-mechanical employees) as of, roughly, the first quarter of 1948, including employees outside continental United States and those in the legislative and judicial branches and District of Columbia government.

The 296,209 employees of the Post Office Department, shown above, represent the average number of regular employees during the fiscal year ending June 30, 1947, whereas the figure of 458,000 on which pay-roll cost estimates were based represent the estimated average number of both regular and substitute employees, including substitutes hired for the Christmas season, for the fiscal year ending June 30, 1948.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. O'CONOR. I should like to ask the Senator from Ohio whether he agrees with the statement which was made before our committee in investigating this subject, in justification of the increase. The statement was:

In 1947 Federal employees in classified positions received an average gross salary of $2,856, as compared with an average of $2,140 in August 1939; but in terms of what the current salaries buy, the $2,856 is worth only $1,719 today. It is also important to note that up until the early part of 1941 the purchasing power of the Federal employees remained fairly constant. From then on until the latter part of 1942 it declined rapidly.

Mr. TAFT. I agree with the general statement. I have not had time to check the exact figures, but the general effect of the statement is entirely correct.

Mr. O'CONOR. Does the Senator from Ohio see any justification for raising one group of employees without giving a general raise to the other Federal employees?

Mr. TAFT. I think they all ought to be increased. I cannot see any reason for a distinction.

Mr. President, I send to the desk an amendment in the nature of a substitute. I think there may be an amendment to be considered before the substitute. The substitute is marked "Committee Print No. 2" and has been distributed on the desk of Senators.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment in the nature of a substitute offered by Mr. TAFT was to strike out all after the enacting clause and insert in lieu thereof the following:

That this act may be cited as the "Federal Employees Pay Act of 1948."

TITLE I—INCREASES IN PAY RATES OF POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

INCREASE IN BASIC PAY RATES OF POSTAL EMPLOYEES

SEC. 101. The rate of compensation of each postmaster, officer, and employee in the postal service whose rate of compensation is prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, as amended, and by the act entitled "An act to provide additional compensation for postmasters and employees of the pastal service," approved May 21, 1946, is increased by $450 per annum, except that any such rate which is paid on an hourly or part-time basis shall be increased 22.5 cents per hour, and rates of compensation of postmasters at post offices of the fourth class shall each be increased 22.5 percent.

INCREASE NOT TO DEFER PROMOTION

SEC. 102. The increase in any existing rate of compensation provided by this act shall not be construed to be such an increase in the rate of pay as, under the provisions of the act approved July 6, 1945, as amended, would defer an increase in pay by reason of promotion.

INCREASE IN EQUIPMENT ALLOWANCE FOR RURAL CARRIERS AND SPECIAL-DELIVERY MESSENGERS

SEC. 103. (a) Sections 17 (e) and 22 (d) of such act of July 6, 1945, as amended, are each amended by striking out "6 cents per mile" and inserting in lieu thereof "8 cents per mile."

(b) Section 22 (d) of such act of July 6, 1945, as amended, is further amended by striking out "75 cents" and inserting in lieu thereof "$1."

(c) The act entitled "An act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 2 years, and for other purposes" (Public Law 467, 80th Cong.), is hereby repealed.

TITLE II—AMENDMENTS OF THE CLASSIFICATION ACT OF 1923, AS AMENDED

COMPENSATION SCHEDULE

SEC. 201. (a) Hereafter the rates of basic compensation for officers, employees, and positions in the departmental and field services, who are required to be compensated in accordance with the Classification Act of 1923, as amended, shall be in conformity with the following compensation schedule of per annum rates:

Grade	Minimum rate	Intermediate rates	Maximum rate
1	$1,410	$1,475, $1,540, $1,605	$1,670
2	2,070	$2,130, $2,190, $2,250, $2,310, $2,370	2,430
3	2,430	$2,500, $2,570, $2,640, $2,710, $2,780	2,850
4	2,870	$2,970, $3,070, $3,170, $3,270, $3,370	3,470
5	3,470	$3,595, $3,720, $3,845, $3,970, $4,095	4,220
6	4,220	$4,395, $4,570, $4,745, $4,920, $5,095	5,270
7	5,270	$5,445, $5,620, $5,795, $5,970, $6,145	6,320
8	6,320	$6,570, $6,820, $7,070	7,320
9	7,470	$7,720, $7,970, $8,220	8,470
10	8,570	$8,870, $9,170, $9,470	9,770
11	10,070	$10,370, $10,670, $10,970	11,270
12	11,570	$12,070, $12,570, $13,070	13,570

Charwomen working part time shall be paid at the rate of $1.07 an hour, and head charwomen working part time shall be paid at the rate of $1.12 an hour.

(b) Notwithstanding the provisions of section 13 of the Classification Act of 1923, as amended:

Grade 1 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 1 of the crafts, pro-

tective, and custodial service under such act.

Grade 2 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grades 1 and 2 of the subprofessional service, grade 1 of the clerical, administrative, and fiscal service, grades 2 and 3 of the crafts, protective, and custodial service, and grade 1 of the clerical-mechanical service under such act.

Grade 3 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grades 3 and 4 of the subprofessional service, grades 2 and 3 of the clerical, administrative, and fiscal service, grades 4 and 5 of the crafts, protective, and custodial service, and grade 2 of the clerical-mechanical service under such act.

Grade 4 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 1 of the professional and scientific service, grades 5 and 6 of the subprofessional service, grades 4 and 5 of the clerical, administrative, and fiscal service, grades 6 and 7 of the crafts, protective, and custodial service, and grade 3 of the clerical-mechanical service under such act.

Grade 5 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 2 of the professional and scientific service, grades 7 and 8 of the subprofessional service, grades 6 and 7 of the clerical, administrative, and fiscal service, grades 8 and 9 of the crafts, protective, and custodial service, and grade 4 of the clerical-mechanical service under such act.

Grade 6 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 3 of the professional and scientific service, grades 8 and 9 of the clerical, administrative, and fiscal service, and grade 10 of the crafts, protective, and custodial service, under such act.

Grade 7 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 4 of the professional and scientific service and grades 10 and 11 of the clerical, administrative, and fiscal service, under such act.

Grade 8 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 5 of the professional and scientific service and grade 12 of the clerical, administrative, and fiscal service, under such act.

Grade 9 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 6 of the professional and scientific service and grade 13 of the clerical, administrative, and fiscal service, under such act.

Grade 10 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 7 of the professional and scientific service and grade 14 of the clerical, administrative, and fiscal service, under such act.

Grade 11 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 8 of the professional and scientific service and grade 15 of the clerical, administrative, and fiscal service, under such act.

Grade 12 of the compensation schedule set forth in subsection (a) shall include positions the duties of which are to plan and direct or to plan and execute frontier or unprecedented professional, scientific, or other specialized programs of outstanding difficulty, responsibility, and national significance, requiring extended professional, scientific, or other specialized training and experience which has demonstrated outstanding leadership and attainments in professional, scientific, or other specialized research, practice, or administration; to serve as the head of a professional, scientific, or other bureau where the position, considering the kind and extent of the authorities and responsibilities vested in it, and the scope, complexity, and degree of difficulty of the activities carried on, is exceptional and outstanding among the whole group of positions of heads of such bureaus; or to perform consulting or other professional, scientific, or other specialized work of equal importance, difficulty, and responsibility.

No position shall be placed in grade 12, and no officer or employee to whom the Classification Act of 1923, as amended, applies shall be compensated at any of the rates of such grade, except by provision of an act of Congress referring to that specific position, or after prior approval by the Civil Service Commission. Such prior approval shall cover the evaluation of the duties, responsibilities, and qualification requirements of the position and the qualifications of any proposed appointee thereto.

The Civil Service Commission shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions placed in grade 12 in the respective departments and agencies during that calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each: *Provided, however,* That in any instance where the head of the department or agency may consider full public report on these items detrimental to the national security, the Commission is authorized to omit such items from its annual report, and in lieu thereof, the head of the department or agency shall present such information in executive sessions of such committees of the Senate and House of Representatives as the presiding officers of those bodies shall designate.

(c) Whenever payment is made on the basis of a daily, hourly, weekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (a) according to the method prescribed in section 604 of the Federal Employees Pay Act of 1945.

(d) The following paragraphs of section 13 of the Classification Act of 1923, as amended, under the headings indicated, are hereby repealed:

PROFESSIONAL AND SCIENTIFIC SERVICE

"Grade 9 in this service, which may be referred to as the special professional grade, shall include all positions which are or may be specifically, authorized or appropriated for at annual rates of compensation in excess of $10,000."

"CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE

"Grade 16 in this service, which may be referred to as the special executive grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $10,000."

INITIAL SALARY ADJUSTMENTS

SEC. 202. (a) The existing rate of basic compensation of any officer or employee in a pay status in a position required to be compensated in accordance with the compensation schedule set forth in subsection (a) of section 201 shall be initially adjusted as follows:

(1) If his position is in grade 1 of such compensation schedule, and his existing basic compensation is at a rate per annum of— Such rate shall be increased to a rate per annum of—

$1,080	$1,410.00
$1,170	1,475.00
$1,258	1,540.00
$1,330	1,605.00
$1,402	1,670.00

(2) If his position is in grade 2 of such compensation schedule, and his existing basic compensation is at a rate per annum of— Such rate shall be increased to a rate per annum of—

$1,690	$2,070.00
$1,756	2,070.00
$1,822	2,130.00
$1,872	2,190.00
$1,888	2,190.00
$1,954	2,250.00
$2,017.60	2,310.00
$2,020	2,310.00
$2,093.04	2,370.00
$2,168.28	2,438.28
$2,243.52	2,513.52

(3) If his position is in grade 3 of such compensation schedule, and his existing basic compensation is at a rate per annum of— Such rate shall be increased to a rate per annum of—

$1,954	$2,430.00
$2,020	2,430.00
$2,093.04	2,430.00
$2,163.20	2,500.00
$2,168.28	2,500.00
$2,243.52	2,570.00
$2,318.76	2.640.00
$2,329.60	2,640.00
$2,394	2,710.00
$2,469.24	2,780.00
$2,544.48	2,850.00
$2,619.72	2,889.72
$2,694.96	2,964.96

(4) If his position is in grade 4 of such compensation schedule, and his existing basic compensation is at a rate per annum of— Such rate shall be increased to a rate per annum of—

$2,394	$2,870.00
$2,469.24	2,870.00
$2,496	2,870.00
$2,544.48	2,870.00
$2,619.72	2,970.00
$2,641.60	2,970.00
$2,644.80	2,970.00
$2,694.96	2,970.00
$2,770.20	3,070.00
$2,845.44	3,170.00
$2,895.60	3,270.00
$2,920.68	3,270.00
$3,021	3,370.00
$3,146.40	3,470.00
$3,271.80	3,541.80
$3,397.20	3,667.20

(5) If his position is in grade 5 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	Such rate shall be increased to a rate per annum of—
$2,808	$3,470.00
$2,895.60	3,470.00
$3,021	3,470.00
$3,099.20	3,470.00
$3,146.40	3,470.00
$3,271.80	3,595.00
$3,397.20	3,720.00
$3,522.60	3,845.00
$3,648	3,970.00
$3,773.40	4,095.00
$3,898.80	4,220.00
$4,024.20	4,294.20
$4,149.60	4,419.60

(6) If his position is in grade 6 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	Such rate shall be increased to a rate per annum of—
$3,648	$4,220.00
$3,773.40	4,220.00
$3,898.80	4,220.00
$4,024.20	4,395.00
$4,149.60	4,570.00
$4,275	4,570.00
$4,400.40	4,745.00
$4,525.80	4,920.00
$4,651.20	5,095.00
$4,776.60	5,095.00
$4,902	5,270.00

(7) If his position is in grade 7 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	Such rate shall be increased to a rate per annum of—
$4,525.80	$5,270.00
$4,651.20	5,270.00
$4,776.60	5,270.00
$4,902	5,270.00
$5,027.40	5,445.00
$5,152.80	5,620.00
$5,278.20	5,620.00
$5,403.60	5,795.00
$5,654.40	5,970.00
$5,905.20	6,320.00

(8) If his position is in grade 8 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	Such rate shall be increased to a rate per annum of—
$5,905.20	$6,320.00
$6,144.60	6,570.00
$6,384	6,820.00
$6,623.40	7,070.00
$6,862.80	7,320.00

(9) If his position is in grade 9 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	Such rate shall be increased to a rate per annum of—
$7,102.20	$7,470.00
$7,341.60	7,720.00
$7,581	7,970.00
$7,820.40	8,220.00
$8,059.80	8,470.00

(10) If his position is in grade 10 of such compensation schedule, and his existing rate of basis compensation is at a rate per annum of—	Such rate shall be increased to a rate per annum of—
$8,179.50	$8,570.00
$8,478.75	8,870.00
$8,778	9,170.00
$9,077.25	9,470.00
$9,376.50	9,770.00

(11) If his position is in grade 11 of such compensation schedule, his existing rate of basic compensation shall be adjusted as follows:

(A) If he has had less than 18 months of service creditable for within-grade salary advancements under the Classification Act of 1923, as amended, since his last equivalent increase, his existing rate shall be adjusted to $10,070 per annum.

(B) If he has had 18 but less than 36 months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,370 per annum.

(C) If he has had 36 but less than 54 months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,670 per annum.

(D) If he has had 54 but less than 72 months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,970 per annum.

(E) If he has had 72 or more months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $11,270 per annum.

(b) A previous salary advancement of $25 per annum, or a salary increase under paragraphs (1) to (10), inclusive, of subsection (a) shall not be considered an "equivalent increase" for the purpose of within-grade salary advancements under the Classification Act of 1923, as amended.

(c) Upon adjustment of the salary of any person pursuant to subparagraph (A), (B), (C), or (D) of paragraph 11 of subsection (a) any creditable service in excess of that required for such adjustment shall be credited toward the first within-grade salary advancement subsequent to such adjustment.

(d) Each of the rates, $2,438.28 and $2,513.52 in grade 2, $2,889.72 and $2,964.96 in grade 3, $3,541.80 and $3,667.20 in grade 4, and $4,294.20 and $4,419.60 in grade 5, is authorized to be paid only to those employees whose existing compensation is initially adjusted to that rate under this section.

BASIS FOR CLASSIFYING POSITIONS

SEC. 203. Section 2 of the Classification Act of 1923, as amended, is amended by inserting "(a)" before the first sentence thereof, and by adding at the end of such section a new subsection as follows:

"(b) (1) Each position shall be placed in its appropriate class and grade. The basis for determining the class and the grade in which each position shall be placed shall be the duties and responsibilities of such position and the qualifications required by such duties and responsibilities.

"(2) In placing positions in classes and grades, there shall be taken into consideration all material facts which, in a given case, are relevant to the degree of difficulty, the weight of the responsibility, and the qualification requirements of the work involved in the position, such as (1) kind and variety of work; (2) nature and extent of available guide lines for performance of work; (3) nature of supervisory control exercised by others over the work; (4) initiative, originality, or judgment required; (5) purpose and nature of personal contacts required by the work; (6) nature and scope of recommendations, decisions, commitments, and conclusions involved; (7) kind, scope, and extent of knowledge, ability, and other qualities required; (8) kind, length, and quality of experience necessary; and (9) nature and extent of supervisory control over the work of other employees.

"(3) Additional duties and responsibilities assigned to an employee because of his exceptionally efficient service shall be given due weight in placing his position in its appropriate class and grade.

"(4) Supervisory positions shall not be placed in a class and grade solely on the basis of the size of the group, section, bureau, or other organization unit or the number of subordinates supervised. Such factors may be given effect only to the extent warranted by the work load of the organization unit and then only in combination with other factors, such as the kind, difficulty, and complexity of work supervised, the degree and scope of responsibility delegated to the supervisor, and the kind, degree, and value of the supervision actually exercised."

STANDARDS FOR CLASSIFYING POSITIONS

SEC. 204. The third paragraph of section 3 of the Classification Act of 1923, as amended, is further amended by inserting "(c)" before the first sentence of such paragraph; by inserting "(e)" before the sixth sentence of such paragraph; and by amending the second, third, fourth, and fifth sentences of such paragraph to read as follows:

"(d) (1) The Civil Service Commission, after consultation with departments and agencies, shall prepare and publish standards for placing positions in their proper classes and grades. The Commission is authorized to make such inquiries or investigations of the duties and responsibilities and qualification requirements of positions as it deems necessary for this purpose. Such standards shall, in terms of duties, responsibilities, and qualification requirements, define the various classes of positions that exist in the service; shall establish the official class titles; shall show the grades in which such classes have been placed by the Commission; and shall be published in such form as the Commission shall determine. At the request of the Commission, departments and agencies shall furnish information and cooperate in the preparation of such standards.

"(2) The Commission shall keep such standards up to date. From time to time, after consultation with the departments and agencies to the extent deemed necessary, it may revise, supplement, amend, abolish, merge, or divide existing standards, or prepare new standards, so that, as nearly as may be practicable, positions existing at any given time within the service will be covered by current published standards.

"(3) The official class titles so established shall be used for personnel, budget, and fiscal purposes to the extent deemed necessary by the Commission, but this shall not prevent the use of organizational or other titles for internal administration, public convenience, law enforcement, or similar purposes."

AUTHORITY AND PROCEDURE

SEC. 205. Section 4 of the Classification Act of 1923, as amended, is hereby amended to read as follows:

"SEC. 4. (a) In conformity with standards issued pursuant to the provisions of section 3 (d) of this act, departments and agencies (1) shall place all positions in their departmental and field services in their respective classes and grades and (2) shall review the determination of the class and grade of a position whenever it materially changes with respect to its duties, responsibilities, or qualification requirements and shall revise such determination when the facts warrant.

"(b) Action taken under the authority of subsection (a) of this section shall be final unless and until changed by certification of the Commission: *Provided*, That departments

and agencies shall refer to the Commission for final action such positions in the departmental service as are not at the time covered by standards published by the Commission.

"(c) The Commission shall postaudit actions taken under the authority of subsection (a) of this section, and shall have authority on its own motion, or at the request of the employee occupying the position, or otherwise to ascertain currently the facts as to the duties, responsibilities, and qualification requirements of any position. In connection with such postaudits, departments and agencies shall provide the Commission with information regarding the duties and responsibilities of positions, reasons for placing individual positions in the respective classes and grades, and related information requested by the Commission.

"(d) Whenever the Commission, after investigation and after affording the department or agency concerned an opportunity for explanation and for submitting further information, shall determine that any position subject to this act (1) has not placed in its proper class and grade, or (2) has not been placed in any class and grade, the Commission shall place such position in its proper class and grade and shall certify its findings and a statement of the necessary corrections to the department or agency concerned and to the General Accounting Office.

"(e) Departments and agencies shall take action in accordance with such certificates of the Commission. The Commission's certificates shall be binding on all certifying, pay-roll, disbursing, and accounting officers of the Government. Any pay adjustment shall be effective at the beginning of the pay period in which the Commission's certificate is received in the appropriate administrative office.

"(f) The rate of basic compensation to which an officer's or employee's existing rate shall be adjusted when (1) the standards issued under section 3 (d) of this act are first applied to his position or (2) an error in placing his position in a class and grade is corrected, shall be in accordance with the compensation schedule established by section 201 (a) of the Federal Employees Pay Act of 1948 and shall be governed by regulations issued by the Commission: *Provided*, That if such rate is lower than the rate at which he has theretofore been receiving compensation, or at which he was hired, and the Commission finds that the circumstances of the individual case warrant (A) continuance of the rate at which he has theretofore been receiving compensation or at which he was hired, or (B) adjustment to any standard rate falling between the rate specified in (A) and the appropriate rate as set out in such compensation schedule; it may authorize such continuance or adjustment. If any officer or employee of long and efficient service is transferred or reassigned, not for delinquency or misconduct, to a position in a lower class or grade, and the Commission finds that the circumstances of the individual case warrant (i) continuance of the rate at which he has theretofore been receiving compensation, or (ii) adjustment to any standard rate falling between the rate specified in (i) and the appropriate rate as set out in the compensation schedule, it shall so notify the employing agency and such continuance or adjustment shall be made accordingly.

"(g) Whenever the Commission finds that the actions of any department or agency in placing positions in classes and grades are not in accordance with standards issued pursuant to section 3 (d) of this act and that the errors or failure in applying such standards are sufficiently serious to warrant immediate supervision by the Commission of future action, the Commission may, in its discretion, after affording the department or agency an opportunity for consultation and explanation, withdraw or suspend in whole or in part the authority of the department or agency to take final action and require approval of such actions by the Commission prior to their becoming effective. After any such withdrawal or suspension, the Commission may restore such authority when, in its judgment, such restoration is warranted by the corrective steps taken by the department or agency to prevent future errors or failures. The Commission shall promptly notify the General Accounting Office of any such withdrawal, suspension, or restoration.

"(h) In determining the rate of compensation which an employee shall receive, the principle of equal compensation for equal work irrespective of sex shall be followed."

WITHIN-GRADE SALARY ADVANCEMENTS

SEC. 206. Subsection (b) of section 7 of the Classification Act of 1923, as amended, is hereby further amended by striking out "12 months" and substituting "52 weeks" therefor; and by striking out "18 months" and substituting "78" weeks" therefor.

ADDITIONAL SALARY ADVANCEMENTS

SEC. 207. Subsection (f) of section 7 of the Classification Act of 1923, as amended, is amended by inserting before the words "this subsection" wherever they appear therein the words "the first sentence of," and by adding at the end thereof the following:

"Within the limit of available appropriations, as a reward for long, faithful, and outstanding service, under standards to be issued by the Commission, and subject to prior approval by the Commission, or delegation of authority as provided in subsection (g), the head of any department or agency is authorized to award additional salary advancements to an employee beyond the maximum rate of the grade in which the employee's position is placed, but no employee's salary shall be increased beyond the maximum rate for his position by more than three such additional salary advancements, and no employee shall receive more than one such advancement during any 3-year period. Each such additional salary advancement shall be equal to the highest increment between any two consecutive rates of the grade in which the employee's position is placed, and shall be subject to the following conditions:

"(1) The employee shall have completed at least 3 years of continuous service, certified by his department or agency as being of outstanding value to the Government, at the maximum rate of his position, or at such rate in excess thereof as is authorized by this subsection, without change of grade or rate of basic compensation except that due to an act of Congress of general application.

"(2) He shall have had, in the aggregate, not less than 10 years of service in the position which he then occupies, or in positions of equivalent or higher class or grade.

"(3) The performance of an employee who is receiving additional salary advancement beyond the maximum rate shall be reviewed annually, and if this review reflects a failure to render outstanding service the employee's rate of pay shall revert to the rate which he received immediately prior to his last advancement."

MISCELLANEOUS PROVISIONS

SEC. 208. Rule 6 of section 6 of the Classification Act of 1923, as amended, is amended by inserting before the period at the end thereof a comma and the following: "except that appointments or other assignments to positions in grades 11 and 12 may, with the prior approval of the Civil Service Commission, be made, at or subsequently adjusted to, any rate of the grade."

SEC. 209. Whenever the Civil Service Commission shall find (a) that a sufficient number of qualified eligibles for positions of a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (b) that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to a rate not higher than the middle rate of the grade in which such class is placed, the Commission may, by regulation, establish such higher rate as the minimum rate for that class in the areas or locations concerned. Each such regulation shall specify the date, not more than 1 year from the date of issuance, when it shall cease to be effective unless extended by another such regulation.

SEC. 210. The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of the foregoing provisions of this title in the departmental and field services and to identify the positions falling under section 211 of this title.

SEC. 211. Section 5 of the Classification Act of 1923, as ameded, is amended to read as follows:

"SEC. 5. (a) This act shall not be applicable to positions and employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations; and the rates of basic compensation of such positions and employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose.

"(b) This act shall not be applicable to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, vessel employees of the Panama Railroad Co., or other vessel employees of the United States; and the rates of basic compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with wage practices of the maritime industry."

TITLE III—INCREASE IN RATE OF COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES

COVERAGE

SEC. 301. The provisions of this title shall apply to civilian positions, officers, and employees (other than officers and employees who serve without compensation) in or under (1) the executive departments (2) the independent establishments and agencies in the executive branch, including wholly owned Government corporations and the Federal Deposit Insurance Corporation; (3) the Administrative Office of United States Courts; (4) the Library of Congress; (5) the Government Printing Office; (6) the General Accounting Office; (7) the Office of the Architect of the Capitol; (8) the Commissioners of the District of Columbia; and (9) the Court of Claims.

HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS

SEC. 302. The rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be $20,000 per annum; of each Under Secretary of an executive department, of the Solicitor General of the United States, of the Assistant to the Attorney General, and of the First Assistant Postmaster General, $18,000 per annum; and of each Assistant Secretary of an executive department, of each Assistant Attorney General, of the Second, Third, and Fourth Assistant Postmaster General, of the Counselor of the Department of State, and of each of three special assistants to the Secretary of Defense, $15,000 per annum.

HEADS AND ASSISTANT HEADS OF INDEPENDENT ESTABLISHMENTS AND AGENCIES

SEC. 303. (a) The rate of basic compensation of the Comptroller General, the Director

of the Bureau of the Budget, the Administrator of Veterans' Affairs, the Federal Security Administrator, the Chairman of the Atomic Energy Commission, the Housing and Home Finance Administrator, and the Federal Works Administrator shall be $18,000 per annum. In any case in which the responsibility immediately below that of an officer referred to in the preceding sentence (other than the Housing and Home Finance Administrator) for the direction and administration of the functions of his agency is concentrated in a single position, the rate of basic compensation of such position shall be $16,500 per annum. In any case in which such responsibility is concentrated in more than one but not more than three positions the rate of basic compensation of each such position shall be $15,000 per annum. The rate of basic compensation of the members of the Home Loan Bank Board, the Public Housing Commissioner, and the Federal Housing Commissioner shall be $15,000 per annum.

(b) The rate of basic compensation of (1) the other full-time members of independent boards or commissions (including the boards of directors of such wholly owned Government corporations as the President may designate and the Federal Deposit Insurance Corporation) in the executive branch and not within or under any executive department or agency; (2) the heads of other independent establishments or agencies in the executive branch; (3) the governors of Territories or possessions; (4) the Commissioners of the municipal government of the District of Columbia; (5) the Director of the Administrative Office of United States Courts; (6) the Librarian of Congress; (7) the General Counsel of the National Labor Relations Board; (8) the members of the Civil Aeronautics Board; (9) the Chairman of the Munitions Board; (10) the Chairman of the Research and Development Board; and (11) the Public Printer, shall be $16,500 per annum. In any case in which the responsibility immediately below that of a board, commission, or other head of an agency referred to in this subsection, for the direction and administration of the functions of such board, commission, or agency is concentrated in a single position, the rate of basic compensation of such position shall be $15,000 per annum.

(c) The rates of basic compensation of the heads of the component parts of the Executive Office of the President (other than the Bureau of the Budget), and of such secretaries, administrative or executive assistants, and other immediate staff assistants to the President in the White House Office as the President may designate shall be $18,000 per annum, $16,500 per annum, or $15,000 per annum, to be determined by the President of the United States.

(d) The rate of basic compensation of the Architect of the Capitol shall be $15,000 per annum; and that of the Commissioners of the Court of Claims shall be $11,270 per annum.

(e) The provisions of this section shall not apply in the case of any position with respect to which the Congress shall hereafter fix the rate of basic compensation.

TITLE IV—INCREASES IN PAY RATES OF LEGISLATIVE, JUDICIAL, AND CERTAIN OTHER EMPLOYEES

INCREASE IN PAY RATES OF EMPLOYEES IN LEGISLATIVE BRANCH

SEC. 401. (a) Section 501 of the Federal Employees Pay Act of 1945, as amended, is amended by inserting before the period at the end of the first sentence of such section the following: "thereby, plus, except as hereinafter provided, (1) 18 percent of his rate of compensation (including the additions thereto provided by the foregoing portion of this sentence), or (2) $360 per annum, whichever is the lesser. No employee in the office of a Senator, Representative, Delegate, or Resident Commissioner, and no clerical or professional staff member of a committee of the Senate or House of Representatives shall be paid, with respect to any pay period, any additinal compensation under the provisions of clause (1) or (2) of the preceding sentence, or any compensation at a rate in excess of $10,000 per annum, unless such Senator, Representative, Delegate, or Resident Commissioner, or the chairman of such committee, shall so certify in writing to the appropriate disbursing office, and in such event payment of such compensation shall begin on the first regular pay day following such certification, or following the effective date of title IV of the Federal Employees Pay Act of 1948, whichever is later. Notwithstanding the provisions of any other law or laws, the basic compensation of any employee, other than an administrative assistant, in the office of a Senator, Representative, Delegate, or Resident Commissioner may be fixed by such Senator, Representative, Delegate, or Resident Commissioner at any multiple of $5 per month which is not in excess of $5,700 per annum. Any such increase shall be made by certification in writing to the appropriate disbursing officer before the first day on which compensation at such increased rate is to be effective."

(b) The annual compensation of each of the elected officers of the Senate and the House of Representatives (not including the Presiding Officers of the two Houses), as fixed by section 201 (a) of the Legislative Reorganization Act of 1946, shall be increased by $360.

INCREASE IN PAY RATES OF EMPLOYEES IN JUDICIAL BRANCH

SEC. 402. Section 521 of the Federal Employees Pay Act of 1945, as amended, is amended by inserting before the period at the end of the first sentence of such section the following: "thereby, plus (1) 18 percent of his rate of compensation (including the additions thereto provided by the foregoing portion of this sentence), or (2) $360 per annum, whichever is the lesser."

INCREASE IN PAY RATES OF CUSTOMS CLERKS, IMMIGRANT INSPECTORS, AND CERTAIN OTHER EMPLOYEES IN THE EXECUTIVE BRANCH WHOSE RATES ARE FIXED BY STATUTES OTHER THAN THE CLASSIFICATION ACT

SEC. 403. (a) Each of the existing rates of basic compensation provided by the act entitled "An act to adjust the compensation of certain employees in the Customs Service," approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by (1) 18 percent of such rate, or (2) $360 per annum, whichever is the lesser. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Except as provided in subsection (c) of this section, rates of basic compensation specifically provided by statute (including any increases therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945 and section 4 of the Federal Employees Pay Act of 1946), for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1947, and are not increased by any other provisions of this act, are hereby increased by (1) 18 percent of such rate, or (2) $360 per annum, whichever is the lesser. Such augmented rates shall be considered to be the regular rates of compensation.

(c) The rates of basic compensation of officers and employees who, on the effective date of this act, are receiving basic compensation at the rate of $9,975 or more per annum in positions not subject to the Classification Act of 1923, as amended, or to the provisions of title III of this act, but in organizations subject generally to the Classification Act of 1923, as amended, and for which a single or maximum rate of basic compensation has heretofore been fixed by statute at $9,975 or more, shall, upon recommendation by the head of the department or agency concerned and approval by the Civil Service Commission, be fixed in accordance with the Classification Act of 1923, as amended.

MINIMUM RATE OF COMPENSATION

SEC. 404. If any rate, as increased by section 402 or 403 of this act, except a rate provided for a foreign service staff officer or employee is insufficient to provide compensation of $2,070 for each 2,080 hours required to be devoted exclusively to the service of the United States by any worker who has attained his 18th birthday anniversary, such rate shall be adjusted by the head of the employing agency so as to provide such compensation. Such adjusted rate shall be considered to be the regular rate of compensation. For the purpose of this section, the number of hours required in the case of any position to be devoted exclusively to the service of the United States, if not determined by law, shall be determined, from time to time, by the head of the employing agency.

MAXIMUM RATE OF COMPENSATION

SEC. 405. (a) Section 603 (b) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "$10,000" where it first appears in such section and inserting in lieu thereof "$11,270."

(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out "$10,000" and inserting in lieu thereof "$11,270."

(c) No officer or employee shall, by reason of any provision of this title, except section 401 (b) or 403 (c), be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $11,270 per diem.

INCREASE IN MAXIMUM PER DIEM RATES FOR TEMPORARY OR INTERMITTENT SERVICES

SEC. 406. (a) As to departments and agencies subject to the Classification Act of 1923, as amended, expert and consultant personnel employed by contract in accordance with section 15 of Public Law 600, Seventy-ninth Congress, may, notwithstanding provisions of other laws, be compensated at any rates of compensation not in excess of the daily rate equivalent of the highest annual rate provided for grade 11 by section 201 of this act.

(b) Section 15 of Public Law 600, Seventy-ninth Congress, is amended by striking out "payable under the Classification Act", and inserting in lieu thereof "provided for grade 11 by section 201 of the Federal Employees Pay Act of 1948."

TITLE V—GENERAL PROVISIONS

RATES OF PRESENT INCUMBENTS NOT TO BE REDUCED

SEC. 501. In no case shall the rate of basic compensation, authorized by law, being received by the incumbent of any position subject to this act on the date of enactment of this act be decreased as a result of the enactment of this act so long as he continues to occupy the position occupied by him on the date of enactment of this act, other than by reason of action of the Civil Service Commission pursuant to the provisions of section 203, 204, or 205, or by reason of the provisions of section 211; but when the position becomes vacant, the basic rate of compensation of any new appointee shall be fixed in accordance with the provisions of this act.

APPROPRIATION AUTHORIZED

SEC. 502. There are hereby authorized to be appropriated such sums as may be neces-

sary to carry out the provisions of this act, The additional amounts required by any agency for that purpose shall not be subject to any limitations now imposed by law (other than appropriation acts) on the amount that may be appropriated for the salaries of its officers and employees.

EFFECTIVE DATE

SEC. 503. This act shall take effect with respect to any officer or employee on the first day of the first pay period which begins after the date of enactment of this act.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. I did not quite understand the Senator's reply to the question of the Senator from Virginia [Mr. BYRD]. Roughly there is a $523,000,000 increased expenditure, but how much will the increased postal rates carried by the House bill return as compared to the present rate?

Mr. TAFT. Approximately $125,000,000. So they fail by about $80,000,000 to pay for the increase in postal salaries. I may say that there should be a further increase in postal rates, but the House committee apparently prepared these figures for increases very rapidly, and our committee thinks with some lack of discrimination, which we should like to consider in conference. I think next year there should undoubtedly be a much larger increase, to pay not only for these increases, but also the deficit which already exists in postal receipts.

Mr. FLANDERS. Mr. President, will the Senator yeld?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. FLANDERS. I may say for the information of the Senate that the Committee on Post Office and Civil Service yesterday approved a Senate resolution authorizing a study of the whole question of postal receipts and postal rates by a management engineering firm, unspecified in the resolution, the report to be made the middle of next January. We are satisfied that only a scientific investigation will determine what these rates ought to be. We have had a perfect hail-storm of letters, telegrams, and objections by telephone and verbally, over the proposals in the House bill, indicating that it is most unwise to undertake to make changes in postal rates quickly and without real study. That real study the Committee on Post Office and Civil Service desires to make.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. Would it be in order for me to offer at this time an amendment to the proposed substitute for the House bill?

Mr. FLANDERS. Mr. President, I should like to suggest that there is an amendment which has priority over the Senator's amendment. It will be offered by the junior Senator from Delaware.

Mr. TAFT. Is the Senator from Washington willing to defer offering his amendment?

Mr. CAIN. Certainly.

Mr. WILLIAMS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. Amendments to the original bill and amendments to the substitute are in order. Amendments to the original bill will take precedence.

The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 19, beginning with line 14, it is proposed to strike out all through line 16, and insert the following:

SEC. 214. This title, except section 204, shall take effect on the first day of the second calendar month following the calendar month in which it is enacted. Section 204 shall take effect on January 1, 1949.

Mr. WILLIAMS. Mr. President, briefly, let me state what the amendment proposes to do. Section 204, as thus amended, will be effective January 1, instead of 60 days following the enactment of this bill.

The purpose is to give the mail-order houses and nurserymen a chance to change their catalogs and revise their price schedules.

I do not think there are objections from the committee to this amendment.

Mr. JOHNSON of Colorado. Mr. President, I should like to know how much revenue is expected from this amendment.

Mr. WILLIAMS. The increased postal rates are supposed to provide approximately $125,000,000 additional revenue annually. I do not know how much this amendment will remove from that amount, but only a percentage of the total amount since the effective date is only being delayed 6 months on part of the authorized increase. Perhaps the Senator from Vermont can give you the amount.

Mr. FLANDERS. Mr. President, my guess would be approximately $16,000,000. If the House proposal for an increase in the postage is to be retained, I feel that this amendment is an excellent one, because so many price lists include postage, as in the case of nurserymen and mail-order houses, and so forth, that they would be completely upset if the increased postage were installed now.

So it seems to me that this is an appropriate amendment to the original bill.

I must say that I hope the original bill will not pass; but this is an appropriate amendment to it, and is in order, and I would suggest that we adopt it by a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. CAIN. Mr. President, I send to the desk an amendment which I offer, and ask to have stated. It is an amendment to the substitute.

The PRESIDING OFFICER. The amendment to the substitute will be stated.

The LEGISLATIVE CLERK. At the end of the substitute, it is proposed to add the following new section:

SEC. —. The provisions of this act granting an increase in compensation to employees of the United States and of the District of Columbia shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing a sales tax in the District of Columbia is enacted by the Congress and becomes effective.

Mr. FULBRIGHT. Mr. President, a praliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. I did not understand the answer to the inquiry of the Senator from Washington. Is it in order to offer amendments now to the original House bill or to the substitute, or both?

The PRESIDING OFFICER. It is in order to offer amendments to both, but amendments to the original bill take precedence.

Mr. FULBRIGHT. Then, Mr. President, I send to the desk an amendment which I shall offer to both, and at the proper time I shall ask to have the amendment called up.

Mr. CAIN. Mr. President, I wish to inquire whether my understanding is correct. I understand that the amendment just being offered is to the substitute, for it refers to the classified employees of the District of Columbia rather than to postal employees of the District of Columbia.

I would make only one comment about this amendment. Certainly I am but one of many who wish we did not have to offer such an amendment, for the amendment says in effect that the pay raises intended within this bill shall go to everyone throughout the country except 7,000 employees who are classified employees within the District of Columbia. But we cannot very well within this District sponsor or approve of deficit financing; nor can we, without much more study than has been given to the problem, take automatically out of the real property within the District of Columbia sufficient revenues with which to meet this obligation. The District of Columbia has approximately 18,000 employees, about 8,000 of whom are classified. If this amendment did not prevail, those 8,000 would benefit from these wage and salary increases, while 10,000 other employees within the District of Columbia would receive no increase at all.

Over a period of months the fiscal subcommittees of the District of Columbia Committees of both the House and the Senate have wrestled with our local District of Columbia problem of how to obtain sufficient revenues to meet justifiable demands for services within the District of Columbia. Our coordinated and agreed-upon program was a sales-tax and a revised income-tax program.

As is known to nearly everyone in the Senate, opposition has been taken to that program. The program represents the moneys and revenues out of which we could meet such an obligation as will be incurred by the passage of this proposed legislation.

In the absence of having moneys with which to meet our obligations, it becomes necessary to adopt an amendment of the kind in question, which would deny to 7,000 people what hundreds of thousands are to receive throughout the rest of the land.

Mr. TAFT. Mr. President, we hope later in the evening to put the District of Columbia sales tax on the agenda.

In the meantime, I shall accept the amendment of the Senator from Washington. I have a right to modify my amendment to include the amendment of the Senator from Washington, and I do so.

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. BALDWIN. Mr. President, I should like to address the Senate briefly on this pay-increase bill.

The committee has been at great pains to try to work out this matter. It has not been an easy thing to do, because the members of the Senate committee had different views on it, as compared to the views of the House committee. I could say that our committee reported two bills, one which I introduced—being Senate bill 1949—and another which was introduced by the Senator from Vermont [Mr. FLANDERS] and myself, being Senate bill 1531.

This proposed amendment is a combination of the terms and provisions of both those bills, with a substantial reduction in amount.

I should like to present a matter for consideration by the Senate in connection with the differential between $450, as provided for the Federal postal employees, and the amount to be provided for the regular Federal employees.

An examination of the chart introduced by the senior Senator from Ohio will demonstrate that for some period of time the postal employees have lagged behind the Federal employees, so far as salaries are concerned. I only need to state that the average annual wage of the Federal employees in 1939 was $1,993, and presently it is $3,006, as compared with $1,894 for the postal employees in the earlier period, and $2,857 presently, on the average. That explains the differential.

I, for one, would like to see the postal employees, particularly, receive a larger increase than is provided here.

The House reported a bill carrying an increase which would be effective, as I recall, for only 1 year. It provided a larger amount than this measure does. This amount, however—$450—is stated in that bill as a permanent increase.

I hope, Mr. President, that this bill will pass as amended by the Senate so that we can take it into conference and come out with a bill that will grant these substantial increases to the postal employees, and also a substantial increase to the Federal workers.

I might say also that in this bill there are some very salutary provisions. We have heard criticism for a long time to the effect that the heads of departments and agencies in the Government have their compensation fixed on the basis of how many workers they employ in their particular department—the more workers, the higher their pay. That provision, Mr. President, is eliminated in the pending bill. The bill also contains a new classification of the Federal service, a simplification of it. I think it also furnishes a good foundation upon which the Post Office and Civil Service Committee in succeeding sessions can work out a real, sensible, and sane reorganization of Federal employment and Federal pay.

As the matter now stands, it seems to be in great confusion, with a great number of classifications and rates that are highly complicated. There is an effort in this bill to reduce that complication and to bring greater simplification into the system.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. BYRD. I should like to ask the Senator to explain the increases made in the various grades. Is that in addition to the $360?

Mr. BALDWIN. There are some increases made in the grades, but those increases in most instances are less than $100. I think there are none over. But the bill also provides that the increases resulting from the changes in classification will not be added to the $360 increase. In other words, under the terms of the bill, the most a Federal employee outside the postal service can get is the $360. If by reason of the reclassification he gets an increased amount, that will be deducted from $360.

Mr. BYRD. The total is $360, is it?

Mr. BALDWIN. That is correct.

Mr. FLANDERS. Just a moment. If I may say so, I think there is a slight mistake.

Mr. BALDWIN. I am glad to be corrected by my friend.

Mr. FLANDERS. The average is $360, with some around $44, as an extreme, and some $44 less, as an extreme. The average is $360.

Mr. BYRD. That is, up to what grade? Ther are larger increases to certain officials, I see.

Mr. FLANDERS. I would say to the Senator from Virginia that it is carried clear up to and through grade 11. One of the things which has been out of order has been that the lower grades have been pressing up against the $10,000 limit. The reclassification also takes care of that. We have had many cases in which the boss was getting less than the men under him.

Mr. BYRD. I do not think the Senator has got the answer to the question in regard to the higher officials.

Mr. FLANDERS. Does the Senator mean the Cabinet officers?

Mr. BYRD. Yes. Cabinet and under-Cabinet officers, the heads of boards, bureaus, and commissions.

Mr. FLANDERS. I can give the Senator from Virginia a summary of it.

Mr. BYRD. As I understand, up to grade 10 the average increase is $360, is that correct?

Mr. FLANDERS. That is correct.

Mr. BYRD. Then what about grade 11?

Mr. FLANDERS. It also includes grade 11. There is a new grade 12 which is included to take care of the flock of special bills we have had coming in which call for higher salary increases for scientists and similar special employees.

Mr. BYRD. Will the Senator explain the increases above grade 11?

Mr. FLANDERS. Let us start at the top. Cabinet member are increased from $15,000 to $20,000, under secretaries are increased from $10,000 to $18,000, and assistant secretaries from $10,000 to $15,000. Heads of the seven largest agencies, which includes the Federal Security Administrator, Federal Works Administrator, Administrator of Veterans' Affairs, Administrator of Housing and Home Finance Agency, Comptroller General, Chairman of the Atomic Energy Commission, and the Director of the Bureau of the Budget, whose present salaries range from $10,000 in the case of the Bureau of the Budget, up to $17,500 in the case of the Chairman of the Atomic Energy Commission; are all raised to $18,000. Those are the heads of boards, commissions, and other independent agencies.

Mr. LANGER. Mr. President, could we have order? We canot hear what is being said by Senators. It is a private discussion. We cannot tell what is going on. May we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. FLANDERS. The heads of boards and commissions and other independent agencies and deputy heads of the above are raised from $10,000 or $12,000 to $16,500. Assistant heads are raised from $10,000 to $15,000. One interesting thing for instance is that the Federal Trade Commission members had their $10,000 salaries set back before World War I. If the salary was right then, it is dead wrong now, and this remedies the thirty-five-odd-years increase in the cost of living with which all of us who are over 35 years of age have had some experience.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. FLANDERS. I yield.

Mr. BALDWIN. As I understand, under this particular bill and classifications about which the Senator from Vermont has just been talking affecting those in the higher bracket, the total over-all of all those increases will amount to about $1,000,000. Is that correct?

Mr. FLANDERS. That is correct.

Mr. BALDWIN. That is the addition it would make to the Federal pay roll?

Mr. BYRD. Does the proposal of the Senator from Connecticut raise them $5,000 each? Is that the approximate amount?

Mr. FLANDERS. It would not be possible to raise them a given amount over their base because their base is scattered all over the lot.

Mr. BYRD. What is the largest raise made?

Mr. FLANDERS. Under Secretaries are raised from $10,000 to $18,000. That is the largest raise.

Mr. BYRD. Cabinet members are raised from $15,000 to $20,000, are they not?

Mr. FLANDERS. From $15,000 to $20,000, and the final result is an even gradation from the $20,000 of the Cabinet members down through to the old $10,000 flat.

Mr. BYRD. That is a pretty heavy raise for Under Secretaries—$10,000. It is nearly doubled.

Mr. FLANDERS. We have been losing Under Secretaries very heavily of late. There is a hole in the bag in which Under Secretaries are kept, and this is intended to stop up that hole.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Texas.

Mr. CONNALLY. Was any consideration given to increasing the salaries of the Indian Claims Commission, which has now been appointed and which is a very important Government organization? It is comparable to the Court of Claims, which formerly handled these claims.

Mr. FLANDERS. I can get that information for the Senator shortly. I do not have it right at hand.

Mr. CONNALLY. I want to say to the Senator that that is a Commission performing duties which were formerly performed by the Court of Claims. The salaries of the Commissioners of the Court of Claims have all been vastly increased.

Mr. FLANDERS. I may say to the Senator from Texas they have been raised to $16,500.

Mr. CONNALLY. The Indian Claims Commission?

Mr. FLANDERS. The Indian Claims Commission.

Mr. CONNALLY. That is, the members of it. There are three members of it.

Mr. FLANDERS. All the members of it. It is set on a level comparable with others with similar responsibilities and similar experience.

Mr. CONNALLY. Under the pending bill, then, the salaries of the Indian Claims Commissioners will be $16,500?

Mr. FLANDERS. That is correct.

Mr. CONNALLY. I do not want it to be confused with any other commission.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from New Mexico.

Mr. HATCH. Is that the Commission which was just recently created?

Mr. FLANDERS. The Indian Claims Commission? I do not know how old the Commission is, sir.

Mr. CONNALLY. It is not very old. It was created only about 2 years ago.

Mr. HATCH. About 2 years. The salaries of the Commissioners are being increased from $10,000 to $16,500.

Mr. FLANDERS. That is the comparable figure for other officers of the Government having comparable responsibility, and requiring comparable ability. The present salary scheme, I will say to the Senator from New Mexico, in the upper ranges, is a crazy patchwork. Some have been far out of line and some have furnished standards to which the rest should be brought.

Mr. HATCH. Mr. President, if the Senator will further yield, let me say that a short time ago the salary was based at $10,000 per year, and inside of 2 years' time an increase of $6,500 seems rather unusual, to me. I have no objection to it, but I was wondering why that quick jump in salary was made.

Mr. FLANDERS. Even though 2 years old, the salary could have been set a bit too low, as is the case with the Federal Trade Commissioners, whose salaries were set too low in 1912. The salary is far too low now.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. O'CONOR. I should like to ask the Senator from Vermont whether, in the fixation of the amounts the committee or the subcommittee had the benefit of expert advice from the Civil Service Commission, or whether it was the result of extensive study, or otherwise.

Mr. FLANDERS. I would say to the Senator from Maryland that he is asking questions which he is perfectly competent to answer, since the Senator from Maryland, the Senator from Connecticut [Mr. BALDWIN] and the junior Senator from Vermont spent many months working on this reclassification of salaries. We had the advantage of nearly 2 years of work previously carried on by the Civil Service Commission in a more or less easy-going way, which we brought to a head, so that we could do our work on the basis of that work. We have also held hearings with the personnel services involved in the Government, including personnel men from as far away as the Pacific coast. We have had hearings which involved the organized groups in the Federal service, and we have taken into account every possible means of gaining information.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from South Carolina.

Mr. MAYBANK. I intend to vote for this bill, of course, but I am disappointed that the original Senate bill is not the bill which we are considering. I appeared before the Committee on Post Office and Civil Service, months ago, which committee is under the chairmanship of the distinguished Senator from North Dakota [Mr. LANGER].

Mr. FLANDERS. I should like, if I may, to say a word to the Senator from South Carolina. His disappointment is easy to understand, but we are faced with the hard choice of having a bill which can be enacted into law, or having a bill which cannot be enacted. I am satisfied that we can enact into law at this session nothing more favorable than what is in this bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAYBANK. I shall vote for the bill. I was here and voted for the bill providing increases for the postal employees some years ago.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Virginia.

Mr. BYRD. The bill refers to basic compensation for the heads of departments, and so forth. Is their overtime to be added to that, or is that the total compensation?

Mr. FLANDERS. That is the total compensation.

Mr. BYRD. The executive assistants to the President and his staff assistants are listed in the bill at $18,000 a year. Do they receive $10,000 at this time?

Mr. FLANDERS. Not all of them. I think that is the lowest salary, if I remember correctly. It is not set at $18,000. There are three rates from which the President may choose. One assistant now receives $15,000, one receives $12,000, and the rest receive $10,000.

Mr. BYRD. Referring to page 26, what is the present salary of employees in that category?

Mr. FLANDERS. That is section 303. I will get the Senator the figures in a moment. They range all over the lot. The Comptroller General now receives $12,000. The Senator will recall that an exceedingly competent and faithful public servant in the Bureau of the Budget had to resign because of his low salary. The Director of the Bureau of the Budget now receives $10,000.

Mr. BYRD. Under the bill he is increased to $18,000?

Mr. FLANDERS. Yes.

Mr. BYRD. Would it be a fair statement to say that in the higher brackets there will be an increase of approximately 50 percent?

Mr. FLANDERS. That is correct.

Mr. BYRD. In some instances, as much as 80 percent?

Mr. FLANDERS. That salary was correspondingly low.

Mr. BYRD. I am speaking of the average. Some of them are increased 80 percent and none of them less than 50 percent. Is that correct?

Mr. FLANDERS. It is approximately 50 percent, yes.

Mr. BYRD. Some have been increased 80 percent, from $10,000 to $18,000. Is that correct?

Mr. FLANDERS. At the top, which is the Cabinet, they have been raised only 33⅓ percent.

Mr. BYRD. But others have been raised 80 percent, have they not?

Mr. FLANDERS. Some have been, yes.

Mr. BYRD. Has the salary of any of them been doubled?

Mr. FLANDERS. I do not remember an instance of any salary having been doubled.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that in the lower salaried positions the employees are raised $350, but the $10,000 men will receive $18,000, or an increase of 80 percent.

Mr. FLANDERS. I would say to the Senator from Sotuh Carolina that in the latter case we are in an entirely different situation. Instead of gathering employees from thousands of possible applicants, the head of the administration of the Federal Government is looking around the country and picking out the best man here, and the best man over here, and the best man there. I will say that I picked out the Senator from Texas [Mr. O'DANIEL] that time.

Mr. O'DANIEL. I thank the Senator from Vermont for his generous offer but I must respectfully decline to accept it.

Mr. FLANDERS. The administrative head is picking out individually the best men he can find for the purpose, and that is a far different thing from running an employment agency.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAYBANK. I have been here for a number of years and I have always heard that the Federal Government could not secure enough personnel. Through restrictions, and through the Civil Service Commission's ratings they are treated more or less unfairly, in my judgment. But when we raise the salary of a man from $10,000 to $18,000, and then tell the postmasters and the poor Government workers that all we can do for them is to give them a few meager hundreds of dollars to balance their food bill only, it is rather disappointing. I shall vote for the bill, but under the most trying circumstances, knowing that it is wrong.

Mr. FLANDERS. I would again call the Senator's attention— and I think the Senator from South Carolina knows that I have a great deal of respect and affection for him—I call his attention to the fact that of the $523,000,000 only $1,000,000 goes to the higher officials and I think it is a good investment.

Mr. MAYBANK. I have the deepest affection for the Senator from Vermont, and my association with him has been most pleasant. Of course only $1,000,000 goes for that purpose, but I am interested in the masses of the employees.

Mr. FLANDERS. They are getting a total of $523,000,000.

Mr. MAYBANK. But we are dividing the money among 2,000,000 of them.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. FULBRIGHT. Mr. President, is my amendment in the nature of a substitute in order?

The PRESIDING OFFICER. The amendment is in order.

Mr. FULBRIGHT. Mr. President, I may say that I am very much in favor of the bill. I agree with what the Senator from Ohio said about the necessity of raising the pay of these employees due to the increase in the cost of living. I believe that the bill certainly should be passed.

My amendment is also designed to increase the real incomes of the employees included, in addition to the relief of everyone else in the United States. I believe we should make such a contribution. All the amendment does is remove a tax upon a basic article of food. I hope the sponsor of the substitute will accept the amendment. As has already been demonstrated, I believe the majority of both the Senate and the House of Representatives have already approved the amendment, which I offer to the bill. In other words, the amendment is certainly appropriate to the bill, being a revenue measure. I ask for the consideration of the amendment.

Mr. WHERRY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WHERRY. I am satisfied that most of the Senators on the floor do not know the substance of the amendment.

Mr. FULBRIGHT. I thought the Senator understood it.

Mr. WHERRY. We cannot hear.

The PRESIDING OFFICER. Senators will cease conversation so that the speakers can be heard.

Mr. FULBRIGHT. I thought the Senator from Nebraska understood. This amendment is designed, like the bill, to increase the real wages and incomes of Federal workers and postal workers. All it does is remove a tax from a basic food in which they are all interested as consumers.

Mr. WHERRY. What is the food?

Mr. FULBRIGHT. It is legally known as oleomargarine. [Laughter.] It is sometimes known as margarine.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. FLANDERS. I should like to call to the attention of the Senator from Arkansas, for whom likewise I have a great deal of respect and affection, that the purpose of the bill is to have the legislation in such form and with such content that it can be enacted into law within the next few minutes. While I sympathize with the desire to reduce the cost of living by the reduction of any tax on any necessity of life, yet I fear that the Senator's amendment would interfere with the possibility of getting the bill passed within the next few minutes, which seems to be necessary.

Mr. FULBRIGHT. Mr. President, I am unable to follow the Senator's reasoning, in view of the fact that the House of Representatives voted 260 to 106—nearly 2½ to 1—in favor of this very amendment only about a month ago. I also remind the Senator of the fact that the Senate voted, in the only way it could vote—that is, on a motion to bring the bill up—57 to 26 only within the week. Last night this body voted to remove the restriction from the military appropriation bill.

Since I mention that, I should like to call the attention of the Senate to what I consider a very arrogant and petty act on the part of the conferees. Last night they removed that very slight restriction upon the sale of this article to the armed forces, in spite of the fact that the House had approved it, and also in spite of the further fact that the Committee on Armed Services of the House had reported unanimously a bill removing by direct legislative action the same restriction that was in the appropriation bill.

In other words, it comes down to this, I submit to the Senator from Vermont, that both Houses overwhelmingly have approved the removal of this tax, as well as the removal of the restriction on the purchase of the article by the armed forces. Yet, due to the supposed crises of passing the pending bill and another, we cannot get a direct vote in the Senate. This measure was reported by the Committee on Finance I think on June 2, with a unanimous vote, with a statement that it was in the public welfare, and the committee recommended its immediate passage. I submit it is quite as important to the people of this country, by and large, as any other bill that has been acted on today.

Mr. President, I ask for the yeas and nays on the amendment.

Mr. TAFT. Mr. President, obviously if we begin to offer irrelevant amendments on bills, we will simply block the passage of any more bills whatsoever. I think it is fair in this case to move to lay the amendment on the table. Therefore, because of the fact that I think it is irrelevant, and that the time has come when we have to dispose of irrelevant amendments, I move that the amendment of the Senator from Arkansas be laid on the table.

Mr. FULBRIGHT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Pepper
Bridges	Holland	Reed
Brooks	Ives	Revercomb
Buck	Jenner	Robertson, Va.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S.C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Chavez	Knowland	Stennis
Connally	Langer	Stewart
Cooper	Lucas	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Thye
Dworshak	McGrath	Tobey
Eastland	McKellar	Tydings
Ecton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Feazel	Malone	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Young

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays on the motion of the Senator from Ohio.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Ohio [Mr. TAFT] to lay the amendment of the Senator from Arkansas [Mr. FULBRIGHT] on the table. The motion is not debatable.

The motion was agreed to.

Mr. TAFT. Mr. President, some time ago I accepted the amendment of the Senator from Washington [Mr. CAIN] relating to the District of Columbia. I now modify that amendment. The amendment provided that the increase should not apply prior to the time the legislation providing a sales tax in the District is enacted by Congress. I am proposing to strike out the words "a sales tax," and insert the words "adequate revenues to meet the obligation," so as to read "prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective."

So that it is not necessary that the revenue be provided in that particular way. I so modify my amendment.

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. BYRD. Mr. President, I should like to call the attention of the Senator from Vermont to page 21, section 207, line 17. Apparently by the language there the head of a department has the right to increase the salaries of the employees of his department. I think that is a very remarkable procedure, which

will result in getting an uneven scale of salaries, and then the demand will be made that all should be raised to the high standard. Is it correct that the head of a department can increase salaries in his own department?

Mr. FLANDERS. I should be glad to give to the Senator from Virginia an explanation of that section. It provides that employees who have given long, faithful, and outstanding service and have for a period of 3 years been at the top of their grade shall, with and by the appproval by the Commission, receive an additional salary advancement equal to the highest salary increment of their grade. An employee may receive not more than three such advancements, and the 3-year period must elapse between each of these advancements. Essentially that is to reward exceptionally long and faithful service for which the more or less mechanical provisions of civil-service grades do not provide.

Mr. BYRD. It is absolutely with the head of the department, is it?

Mr. FLANDERS. No; with the approval of the Commission.

Mr. BYRD. The head of any department or agency can increase salaries in his department.

Mr. FLANDERS. Yes; but he must have the approval of the Commission.

Mr. BYRD. Yes; but the Commission has never yet failed to approve an increase in salary. I have been dealing with the Civil Service Commission for a long time, and it has never failed to favor an increase. If it has, I do not know when it was.

Mr. FLANDERS. The Senator's experience may be largely unfortunate. But we ran into many cases in which advances have been refused. I could not give the ratio.

Mr. BYRD. Under some standard as established by the Civil Service Commission, the head of the Department, then, is the final arbiter as to whether the salaries shall be increased?

Mr. FLANDERS. The Commission is the final arbiter. I shall try to explain the situation briefly. Let us say that the Senator from Virginia had on his beautiful apple farm a man of a degree of intelligence and manual dexterity that made him excellent for certain particular operations on the Senator's farm. The employee has worked for years. He is faithful. The Senator cannot advance him to an executive activity of some sort. because he just is not made that way. But he has worked very long and very faithfully, and I am sure the Senator would want to give him small advances over a long period of time.

Mr. BYRD. The law already provides for that. There are in-grade promotions at a certain date all through the civil service, and employees are promoted and increased periodically. The Senator from Vermont knows that.

Mr. FLANDERS. This is for those who over long years have reached the limit.

Mr. BYRD. But if they work over a long period of years they get the increase that goes with the length of service. The point I make is that if it is left to the head of the department it will result in an uneven scale of wages, and then the demand will come to Congress to increase all employees up to the increases that have been made by a head of a department. I do not think that authority should be given.

Mr. FLANDERS. We do have to depend on the administration of the Commission, and in this case the final authority goes back to the Commission.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. O'MAHONEY. May I invite the attention of the junior Senator from Vermont to the following sentence which I find beginning in line 19 of page 29. I desire to ask the interpretation of the committee of the meaning of the sentence, which reads as follows:

> Notwithstanding the provisions of any other law or laws, the basic compensation of any employee, other than an administrative assistant, in the office of a Senator, Representative, Delegate, or Resident Commissioner may be fixed by such Senator, Representative, Delegate, or Resident Commissioner at any multiple of $5 per month which is not in excess of $5,700 per annum.

Now if I understand the English language, that is an authorization to any Senator, Representative, Delegate, or the rest, to fix the salaries of all the employees of his office at not to exceed $5,700 per year, because it says "any employee"; not any single employee, or any two employees, or any three, "any employee." Is it intended to mean any single employee?

Mr. FLANDERS. The distinction, I will say to the Senator from Wyoming, is not between single and married employees.

Mr. O'MAHONEY. Oh, now the Senator is indulging in his usual good humor.

Mr. FLANDERS. The provision in question simply permits the Senator to do what he is already doing now within the present ceiling. It simply raises the ceiling by the same amount that the average ceiling of the average Federal employee is raised. It gives him the benefit of the same increase.

Mr. O'MAHONEY. But is it not said here that the increase is in multiples of $5 per month, and the only limitation is $5,700, but it affects every employee in the office. There is nothing in the sentence to make the present ceilings apply. And there is nothing in the paragraph to make them apply.

Mr. FLANDERS. The present ceiling applies to every employee in the Senator's office.

Mr. O'MAHONEY. But there is a schedule for the various employees.

Mr. FLANDERS. There still would be, but they would be in multiples of $5 a month.

Mr. O'MAHONEY. Apparently I have not made myself clear to the Senator. This sentence, if it should be enacted into law as part of the bill, and the bill should be approved, would have the effect of repealing every other law dealing with this subject. This will be the latest expression of legislative intent governing these positions. I am sure that it is not the intention of the Senator or of the committee to repeal the various classifications and categories, but merely to allow a promotion to a limit of $5,700 for one employee in the office. Am I mistaken about that?

Mr. FLANDERS. The only effect that this provision has on existing law or laws is that it modifies such other law or laws in one respect only.

Mr. O'MAHONEY. It does not say so.

Mr. FLANDERS. That would seem to me to be inherent in the English in which it is stated. That certainly is the purpose.

Mr. O'MAHONEY. I am glad to have the expression of the purpose. In my opinion it certainly needs a legislative explanation.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MAYBANK. I understood a few minutes ago, after I made a brief statement, that the distinguished Senator from Vermont, for whom I have the greatest respect, made the statement that salaries would be raised 33⅓ percent. Am I correct?

Mr. FLANDERS. What I said was that in the case of Cabinet Officers the salaries are raised 33⅓ percent.

Mr. MAYBANK. I should like to say this: I supported this bill from the day it went to the Committee on Post Office and Civil Service. I testified before that committee. I understood that the Federal pay raise bill for postmasters and various other Government employees was in the Congress of the United States because of the increased cost of living. If we raise the salary of someone who makes $10,000 a year by 33⅓ percent, that does not make sense to the poor fellow who makes $1,200. While I am still going to stand by my friend and vote for the bill, because I understand from him that this is the only thing we can get through, I want the RECORD to show that I do not believe that the $10,000 people ought to be raised to $18,000, and the poor people three or four or five hundred dollars a year. The poor man pays the same for beefsteak as the fellow who has money, and the poor man pays the same for other things he needs in this life, as does the rich man.

I do not believe that a 33⅓-percent increase in salary is justified in the higher brackets. I supported the bill and testified before the committee. The Senator from North Dakota [Mr. LANGER] gave me that privilege. I was acting upon the theory that we would adjust salaries in line with the cost of living, and do something to help the poor people. My good friend the Senator from Virginia says that some salaries are raised 80 percent. Is that correct? That does not make sense.

Mr. FLANDERS. Let me say briefly to the Senator from South Carolina that this part of the bill was drawn to meet the recommendations of the present President of the United States, transmitted to this body in a message.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FLANDERS. Just a moment.

Mr. MAYBANK. The President of the United States sent a civil-rights message down here, too.

Mr. FLANDERS. I should also like to say to the Senator from South Carolina that any future Democratic President, or

any future Republican President, or any future President of the third party, the name of which I do not at the moment remember, will ask for this consideration for the higher salaries.

Mr. BYRD. Mr. President, I simply wish to invite the attention of the Senate to what it is voting for. I have a list of these increases. Some of the salaries are doubled. Others are increased 80 percent. I believe that the officials who hold the higher positions should perhaps have an increase; but when we talk about increasing the average employee 10 percent, and then increasing salaries in the higher brackets 80 percent——

Mr. BALDWIN. Mr. President, I do not recall any legislation in this Congress since 1939 which has increased the salary of Cabinet officers or others included in this bracket.

Mr. BYRD. It makes no difference.

Mr. BALDWIN. On the other hand, Federal employees, and some post office employees, industrial employees, and retail workers, have had very substantial increases, all the way from 65 percent to 100 percent.

Mr. BYRD. Does the Senator know of many persons who refuse Cabinet positions?

Mr. BALDWIN. I do not.

Mr. BYRD. They are increased from $15,000 to $20,000. I do not say that there should not be an increase, but I say that the increase is entirely out of proportion to the increase given to the postal employees and the average employee of the Federal Government.

Mr. BALDWIN. I can only respond by saying the same thing my friend from Vermont said, that these men fall into an entirely different classification. They are all specialists of one kind and another. I do not doubt that it would be extremely easy to find anyone to take a Cabinet position in the Government of the United States; but I did not suppose that we lacked applicants for such a position. I supposed that we wanted men who were peculiarly and specially qualified for a particular job.

Mr. BYRD. Does the Senator believe that there are now able men in the Cabinet?

Mr. BALDWIN. I think there are some who are able, and I think there are some who are not so able; but I hope that we shall be able to attract extremely able ones. [Laughter.]

Mr. BYRD. That is the reason the Senator is proposing to increase the salaries.

Mr. BALDWIN. That has nothing to do with it. If that were the case, we would have had a provision in the bill which would not be effective until the 1st of January, but we are generous. We are willing to have this go into effect right now.

Mr. TAFT. Mr. President, I should like to point out one thing, and that is that every Senator and every Member of the House is receiving about $16,500, or between $16,000 and $16,500. That is not as large a salary as it seems when written out expressly in so many words.

Mr. BYRD. Will the Senator enumerate the perquisites? The salary is $12,500.

Mr. TAFT. There is an allowance of $2,500 for expenses, which is tax free. That is equivalent to another $3,500, making about $16,000. So when we give the head of a department $16,500 we do not pay him anything very different from what we are paying Members of Congress.

Mr. BYRD. Some of them are being paid $20,000. Under secretaries receive $18,000.

Mr. TAFT. They have always received more than Members of Congress. We have increased our salaries more than 50 percent. I do not believe that these increases are out of line with what we have done for ourselves.

Mr. BYRD. Mr. President, I wish to make this statement: So far as the Senator from Virginia is concerned, I am willing to vote for the $360 increase to the classified civil service and $450 to postal employees, but I am not willing to vote for the schedule of high salaries in the higher brackets. I do not believe that the schedule has been coordinated and put together in a uniform manner. From time to time Congress has fixed salaries by legislation. This bill changes act after act which Congress has passed fixing salaries. I submit that in the closing hours of the session we ought not to take as drastic a step as this without knowing more about it.

Furthermore, the bill changes the classification in a way that needs careful study.

Mr. President, I shall vote for that part of the bill which gives the classified employees and postal employees an increase, but I am not at this time going to vote for these very high increases, some of them as much as 100 percent, and others 80 percent, for higher officials in the Government.

Mr. WHERRY. Mr. President, may we have a vote? We have several conference reports ready, and they are privileged.

The PRESIDING OFFICER. The question is on agreeing to the substitute as amended.

Mr. BYRD. Mr. President, I move to strike out all of title III, which relates to increases in salaries in the higher brackets. That would leave the increases to apply to the classified service and to the postal employees. Then when Congress reconvenes, if, as the Senator from Connecticut says, we have a Republican President, perhaps we can go into the question further and see what can be done.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator fom Virginia [Mr. BYRD]. [Putting the question.]

Mr. MAYBANK. Mr. President, I ask for a division.

On a division the motion was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the substitute bill, as amended, which is offered as an amendment to the bill.

The substitute as amended was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. TAFT. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LANGER, Mr. FLANDERS, Mr. BALDWIN, Mr. JOHNSTON of South Carolina, and Mr. O'CONOR conferees on the part of the Senate.

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Ohio desire to have the two Senate bills indefinitely postponed?

Mr. TAFT. Yes; I ask that the two Senate bills be indefinitely postponed.

The PRESIDING OFFICER. Without objections, the bills will be indefinitely postponed.

SENATOR McKELLAR AND THE TVA

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I send to the desk.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 23, 1942.*

Senator KENNETH MCKELLAR,
United States Senate,
Washington, D. C.

DEAR SENATOR MCKELLAR: We have been informed that some unadvised people of Tennessee have challenged your loyalty to the Tennessee Valley Authority. Such people certainly are misinformed.

We who have served with you on the Appropriations Committee of the Senate venture the statement that but for you the dams along the Tennessee River and its tributaries never would have been built. We know that this is true concerning the Pickwick, Guntersville, Chickamauga, Hiwassee, Gilbertsville, Watts Bar, Fort Loudon, Holston River, and Watauga Dams. As to all of these dams, we know that the Budget Director did not recommend them, but all were built through amendments offered by you, first in the subcommittee of the Senate Committee on Appropriations and then in the full committee, of which you are a member. We know that none of these dams, except Douglas, had the approval of the Tennessee Valley Authority, and that the members of the Authority not only disapproved all of them, except Douglas, but came to Washington and lobbied with us not to appropriate the money with which to build them. We know that your amendments providing for these dams were vigorously fought, the late Senator Adams, of Colorado, taking the lead in a fight against them. The dams were approved by the committee by the closest kinds of votes, sometimes the vote in the subcommittee or in the full committee was a tie, but by your vigorous support of the dams and your untiring energy in their favor the bills were finally passed by the Senate and sent to conference. You were one of the conferees on each and every one of these bills, and it was due to your skillful management and untiring devotion to these matters that the House Members of the conferences finally yielded and the bills were passed and the dams built. If ever a man was beset with difficulties you had them in the building of these dams.

We are informed by the clerk of the Senate Committee on Appropriations that $667,-

969,270 has been spent on these dams. Every dollar of that money was invested in the dams through your efforts. Some of us who are signing this letter were strongly for you and some of us were just as strongly opposed to you in the building of these dams, but we unite in saying that the amendments providing for the building of the dams never would have been reported out of our committee and the dams never would have been built but for you. The committee was almost evenly divided in every case. It was well known to the members of the committee that the Tennessee Valley Authority wanted to build only three dams as a "yardstick" and that they did not want to build a system of dams for the purpose of going into competition with the private-power companies. You wanted just what has finally been accomplished.

We wish to say, also, that when the proposal was made to buy most of the private power companies of Tennessee, all except those in northeast Tennessee, you piloted that measure through the Senate over just the same kind of Senate opposition that you had before, and this proposal, in our judgment, would not have been passed but for your support.

We wish to add that Douglas Dam, when it did not have your approval, was twice beaten in the committee and in the Senate. It would not have passed the last time, except for your support and vote. The amendment passed the subcommittee by 1 vote, and that was your vote.

We take pleasure in assuring you that, in our opinion, there would have been no Tennessee Valley Authority such as you now have but for your untiring and vigorous support of the Authority and the dams.

Very sincerely yours,

John H. Overton, Pat McCarran, Rufus C. Holman, Gerald P. Nye, Styles Bridges, Chan Gurney, Wallace H. White, Jr., M. E. Tydings, H. C. Lodge, Jr., Carter Glass, Carl Hayden, Elmer Thomas, Burnet R. Maybank, Harry Truman, Joseph C. O'Mahoney, Jas. M. Mead, Dennis Chavez, Theodore Francis Green, Francis Maloney, Richard B. Russell, Wall Doxey.

LETTER FROM THE COMMISSIONER OF THE IMMIGRATION AND NATURALIZATION SERVICE

Mr. WHERRY obtained the floor.

Mr. REVERCOMB. Mr. President, will the Senator yield to me for an insertion?

Mr. WHERRY. I yield.

Mr. REVERCOMB. I have received a letter from the Honorable Watson B. Miller, Commissioner of the Immigration and Naturalization Service, which I desire to call to the attention of the Senate. Senators who are sponsors of special bills for the relief of immigration cases will be especially interested in this matter. Therefore, I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
IMMIGRATION AND
NATURALIZATION SERVICE,
Washington, D. C., June 18, 1948.

Hon. CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.

DEAR SENATOR: This refers to your telephonic request of Wednesday concerning the resolution of the Senate Committee on the Judiciary, the substance of which is set forth in the letter dated June 16, 1948, from Mr. Arens, staff director of the committee.

I shall be glad to comply with the suggestions made that:

1. In the case of any alien concerning whom a private bill is pending in the Senate, but concerning which bill unfavorable action shall not have been taken by the Senate Committee on the Judiciary by the end of the present session of the Congress, deportation should be stayed until April 1, 1949; and

2. In the case of any alien concerning whom a private bill has been introduced in the Senate, but concerning which bill unfavorable action has been taken by the Senate Committee on the Judiciary prior to the end of the present session of the Congress, deportation should be carried out.

It will be appreciated if you will have Mr. Arens send me a list giving the names of the aliens in both categories as well as the immigration file numbers if the numbers are available.

Sincerely,

WATSON B. MILLER.

THE HOUSING ACT

Mr. WHERRY. Mr. President, may I inquire as to the status of House bill 6959? It is a housing bill which I think has been sent over from the House.

The PRESIDING OFFICER. It is the subject of a message from the House.

Mr. WHERRY. Let me ask whether the House bill has been sent to the Senate; and if so, has it had its second reading? What is the status of the bill?

The PRESIDING OFFICER. It has not been read at all in the Senate.

Mr. WHERRY. Therefore, if it is to be brought to the attention of the Senate, for consideration, unanimous consent to that effect will be required; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of House bill 6959.

The PRESIDING OFFICER. Without objection——

Mr. RUSSELL. Mr. President, may the title of the bill be stated?

The PRESIDING OFFICER. The title will be stated.

The CHIEF CLERK. A bill (H. R. 6959) to amend the National Housing Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

Mr. ELLENDER. I object.

Mr. WHERRY. Mr. President, I ask the Senator please to withhold his objection until I can present an explanation of the bill. The explanation will take only approximately 5 minutes.

Mr. President, this bill was passed in the House of Representatives by a vote of approximately 317 to 90.

As I understand the amendments to Title 1 of the National Housing Act, they provide that the limit on FHA Title 1 insurance is raised by an amount of $35,000,000, to a total of $200,000,000.

The maximum mortgage amount for title I, class 3 loans is raised from $3,000 to $4,500.

Insurance is provided up to $10,000 limit for loans for repair or conversion to provide additional housing for two or more families in existing structures, with occupance preference given to veterans.

TITLE II—DISPOSAL OF GOVERNMENT-OWNED PERMANENT WAR-HOUSING ACCOMMODATIONS

All permanent, Government-owned war housing must "be sold for cash as expeditiously as possible and not later than December 31, 1949," at a price not less than value as determined by an FHA appraisal.

War housing may be transferred to the Army, Navy, or Air Force if such transfer had been requested prior to April 15, 1947.

Preference for sale to veterans is provided both as to individuals buying separate houses and as to cooperative groups buying whole projects. After the preference period has expired, there is no restriction on the sale except that it must be for cash.

TITLE III—AMENDMENTS TO TITLE III OF THE NATIONAL HOUSING ACT

This title is a complete revision of title III of the National Housing Act, and provides for a greatly restricted secondary market operation by the Federal National Mortgage Association.

The FNMA is authorized to buy FHA loans under sections 203 and 603 and VA loans under section 505 of the Servicemen's Readjustment Act—second loans. This precludes purchase of FHA loans on rental housing under either section 207 or section 608, as well as purchase of VA loans under section 501 of the GI bill of rights. Purchase of loans from public agencies is prohibited.

The purchase price may not exceed 98 percent of the unpaid loan balance, and purchases are limited to mortgages not exceeding an original principal of $10,000. Loans must be offered by the original mortgagee and must be dated after June 19, 1948. Purchases from any single mortgagee are limited to 25 percent of eligible loans made by the lender after June 19, 1948.

The capital stock of FNMA is increased by $10,000,000 to $20,000,000. Its obligations may not exceed 40 times capital and surplus. The bill specifically continues the present FNMA as an RFC subsidiary under the supervision of the FHA Commissioner and empowers the latter to liquidate the FNMA when the need for it no longer exists.

TITLE IV—TAX INCENTIVE FOR THE PRODUCTION OF ADDITIONAL RENTAL HOUSING ACCOMMODATIONS

The title amends the Internal Revenue Code by permitting an amortization deduction for income-tax purposes of 10 percent per year for the first 5 years for new rental housing and new rental units created by conversion of existing structures. This deduction would be in lieu of the present amortization deduction. The taxpayer may elect to discontinue the special deduction at any time within the 5-year period.

To be eligible for the special deduction, construction of the rental-housing facilities must be started on or after July 1, 1948, and before the close of July 1, 1950, and the FHA must certify (a) that there is a shortage of rental housing in the

we cannot predict with absolute certainty, but I think no one within the sound of my voice will deny that we are facing an exceedingly important issue. It is not the first critical issue that we have faced in the Congress of the United States in the last 10 or 12 years. We have faced others in the past. Upon one or two occasions, if my memory is correct, we had some very, very narrow escapes from fatal error.

What is our situation today? I shall not indulge in any personalities or criticize any person here present, any Member of this great body, for the expressions of opinion which he has uttered, but what is our situation today? Actually, the whole world is looking at us. No one will deny that. The Tass news service will carry the story that is written here tonight, and what goes on here tonight will be known tomorrow and the day after in country after country. The decision we make here tonight may bring encouragement to some people who are a potential menace to freedom, and discouragement or encouragement, as the case may be, to millions who are devoted to freedom and look to us as their champion. One result or the other will come out of this debate and from this vote.

What does this legislation propose to do? It proposes the organization of an efficient military force which will command respect. The military force which is inefficient or shallow, undisciplined, untrained, does not command respect despite its numbers. It is for that reason that I believed that the 2-year term of enlistment would provide a much more efficient force than the 12-month term of enlistment, which I am positive cannot do such a thing. The turn-over would be too great. You cannot have efficiency in a military force in which you teach men, we will say, to be good soldiers and sailors, and then discharge them and bring in raw recruits all over again. It just cannot be done.

I will not deny for one moment that the perfection of our defense involves sacrifice.

Reading history, I have never yet found an instance in which the defense of liberty and its preservation did not involve some sacrifice—sometimes terrific sacrifice, and of course this bill involves some sacrifice from the American people. I think it is a sacrifice very well worth making. If we hesitate, if we draw back for some of the sentimental reasons expressed in this debate, people in other countries will get the idea that we do not care to sacrifice. I hope that the House of Representatives this night will show the world that America intends to be strong in support of righteousness.

Mr. ANDREWS of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. ANDREWS of New York) there were—ayes 232, noes 114.

Mr. SHAFER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 259, nays 136, not voting 35, as follows:

[Roll No. 125]

YEAS—259

Abbitt	Garmatz	Michener
Abernethy	Gary	Miller, Calif.
Albert	Gathings	Miller, Md.
Allen, Calif.	Gavin	Mills
Allen, La.	Gearhart	Monroney
Anderson, Calif.	Gillette	Morgan
Andrews, Ala.	Goff	Morrison
Andrews, N. Y.	Goodwin	Morton
Angell	Gordon	Muhlenberg
Arends	Gore	Multer
Auchincloss	Gorski	Mundt
Bakewell	Gossett	Murdock
Bates, Ky.	Graham	Murray, Tenn.
Bates, Mass.	Grant, Ala.	Nixon
Battle	Gregory	Norblad
Beall	Gwinn, N. Y.	Norrell
Beckworth	Hale	O'Brien
Bell	Hall, Edwin Arthur	Pace
Bennett, Mich.	Hall, Leonard W.	Passman
Blackney	Halleck	Patman
Bland	Hardy	Patterson
Boggs, La.	Harless, Ariz.	Peterson
Bonner	Harris	Phillips, Calif.
Boykin	Harrison	Pickett
Bramblett	Hébert	Ploeser
Brooks	Hedrick	Plumley
Brown, Ga.	Hendricks	Poage
Bryson	Herter	Potter
Buchanan	Heselton	Potts
Buck	Hess	Poulson
Bulwinkle	Hinshaw	Preston
Burke	Hobbs	Price, Fla.
Burleson	Holmes	Price, Ill.
Byrne, N. Y.	Hope	Priest
Byrnes, Wis.	Huber	Rains
Camp	Jackson, Calif.	Rayburn
Canfield	Jackson, Wash.	Redden
Carroll	Jarman	Reeves
Case, N. J.	Jenkins, Pa.	Richards
Chadwick	Johnson, Calif.	Riehlman
Chapman	Jones, Ala.	Riley
Chelf	Jones, N. C.	Rizley
Clason	Jones, Wash.	Rogers, Fla.
Coffin	Jonkman	Rogers, Mass.
Cole, Kans.	Judd	Rohrbough
Cole, N. Y.	Karsten, Mo.	Ross
Combs	Kean	Russell
Cooley	Kearney	Sadlak
Cooper	Kearns	St. George
Corbett	Kee	Sarbacher
Cotton	Kefauver	Sasscer
Coudert	Kelley	Scrivner
Courtney	Kennedy	Seely-Brown
Cox	Kersten, Wis.	Sheppard
Cravens	Kilburn	Sikes
Crow	Kilday	Smathers
Dague	King	Smith, Va.
Davis, Ga.	Kirwan	Spence
Davis, Tenn.	Kunkel	Stanley
Deane	Lanham	Stockman
Devitt	Larcade	Sundstrom
Dingell	Latham	Taber
Dirksen	Lea	Taylor
Domengeaux	LeFevre	Teague
Dondero	Lesinski	Thomas, Tex.
Donohue	Lichtenwalter	Thompson
Dorn	Lodge	Tibbott
Durham	Lucas	Tollefson
Eaton	Lusk	Towe
Eberharter	Lyle	Trimble
Elston	Lynch	Van Zandt
Engel, Mich.	McConnell	Vinson
Engle, Calif.	McCormack	Vorys
Evins	McDonough	Wadsworth
Fallon	McDowell	Walter
Fellows	McMahon	Wheeler
Fenton	McMillen, Ill.	Whitaker
Fernandez	Mack	Whitten
Fisher	MacKinnon	Whittington
Flannagan	Mahon	Williams
Fletcher	Manasco	Wilson, Tex.
Fogarty	Mathews	Winstead
Foote	Meade, Md.	Wigglesworth
Forand	Merrow	Wolcott
Fuller	Meyer	Wolverton
Fulton	Morrison	Woodruff
Gamble	Morton	Worley

NAYS—136

Allen, Ill.	Bender	Brophy
Andersen, H. Carl	Bennett, Mo.	Buffett
Andresen, August H.	Bishop	Busbey
Arnold	Blatnik	Butler
Barden	Bloom	Cannon
Barrett	Bolton	Carson
	Bradley	Case, S. Dak.
	Brehm	Celler
	Chenoweth	Celler
	Chiperfield	Hull
	Church	Isacson
	Clevenger	Javits
	Clippinger	Jenison
	Cole, Mo.	Jenkins, Ohio
	Crawford	Jennings
	Crosser	Jensen
	Cunningham	Johnson, Ill.
	Curtis	Johnson, Ind.
	Davis, Wis.	Keating
	Delaney	Keefe
	D'Ewart	Keogh
	Dolliver	Kerr
	Doughton	Klein
	Douglas	Landis
	Elliott	LeCompte
	Ellis	Lewis, Ohio
	Ellsworth	Love
	Elsaesser	McCowen
	Feighan	McCulloch
	Folger	McGarvey
	Gillie	McGregor
	Grant, Ind.	Macy
	Griffiths	Madden
	Gross	Maloney
	Gwynne, Iowa	Mansfield
	Hagen	Marcantonio
	Hand	Martin, Iowa
	Harness, Ind.	Mason
	Hart	Miller, Conn.
	Harvey	Miller, Nebr.
	Havenner	Mitchell
	Hill	Morris
	Hoeven	Murray, Wis.
	Hoffman	Nicholson
	Hollfield	Nodar
	Horan	O'Hara
		O'Konski
		O'Toole
		Pfeifer
		Philbin
		Phillips, Tenn.
		Powell
		Ramey
		Rankin
		Reed, Ill.
		Reed, N. Y.
		Rees
		Rich
		Rockwell
		Rooney
		Sabath
		Sadowski
		Sanborn
		Schwabe, Mo.
		Schwabe, Okla.
		Scoblick
		Scott, Hardie
		Shafer
		Short
		Simpson, Ill.
		Smith, Kans.
		Smith, Ohio
		Smith, Wis.
		Snyder
		Somers
		Stefan
		Stevenson
		Talle
		Twyman
		Vail
		Vursell
		Weichel
		Wilson, Ind.
		Wood
		Youngblood

NOT VOTING—35

Banta	Heffernan	Regan
Boggs, Del.	Johnson, Okla.	Rivers
Brown, Ohio	Johnson, Tex.	Robertson
Buckley	Knutson	Scott, Hugh D., Jr.
Clark	Lane	Simpson, Pa.
Colmer	Lemke	Smith, Maine
Dawson, Ill.	Lewis, Ky.	Stigler
Dawson, Utah	Ludlow	Stratton
Gallagher	McMillan, S. C.	Thomas, N. J.
Granger	Meade, Ky.	Welch
Hartley	Norton	West
Hays	Peden	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Texas for, with Mr. Ludlow against.

Mr. Colmer for, with Mr. Heffernan against.

Mr. Simpson of Pennsylvania for, with Mr. Knutson against.

Mr. Hugh D. Scott, Jr., for, with Mr. Banta against.

Additional general pairs:

Mr. Brown of Ohio with Mr. Lane.

Mr. Thomas of New Jersey with Mr. Peden.

Mr. Boggs of Delaware with Mrs. Norton.

Mr. Hartley with Mr. Buckley.

Mr. Lemke with Mr. Hays.

Mrs. Smith of Maine with Mr. Johnson of Oklahoma.

Mr. Welch with Mr. Stigler.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

POST OFFICE DEPARTMENT

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, the House would like to know just what is involved in this bill, or at least some Members of the House would like to know.

Mr. REES. I will say to the gentleman that the House approved the bill, H. R. 6916, which provided for certain increases in postal rates and made a further provision for increases in the salaries of postal employees across the board of $450 per year. Then there is a percentage increase for the fourth-class postmasters and a smaller increase for those who are employed on a per diem basis. The bill went to the other body for consideration, and that body has seen fit to strike out that portion of the bill providing for an increase in postage rates, and has attached among other things a reclassification act.

Mr. SMITH of Ohio. What is the cost involved in each of those two categories?

Mr. REES. The approximate cost on the first category is $206,000,000. The approximate cost on the second category is between $300,000,000 and $350,000,000.

Mr. SMITH of Ohio. The number of Federal employees is presently increasing at the rate of 600 a day so that the annual cost would be approximately $600,000,000, is that correct?

Mr. REES. The gentleman can figure it out. There are about 850,000 employees in the classified service. If you multiply that by the amount of increase in their salaries, then you can figure it out and can know just what the amount is.

Mr. SMITH of Ohio. This House has had no opportunity whatever to consider the matter.

Mr. HALLECK. Mr. Speaker, will the gentleman withhold his objection?

Mr. SMITH of Ohio. Yes.

Mr. HALLECK. May I remind the gentleman that pursuant to the rule under which we are operating we can get the bill to conference. May I say to the gentleman I am convinced that the bill must go to conference. There are certain other provisions that have been inserted by the other body which I do not think will be found in the bill when it comes back.

I believe a satisfactory arrangement can be worked out. I have asked for this opportunity to make this suggestion only to express the hope that in the interest of expedition of the work we may proceed with this matter of the conference.

Mr. SMITH of Ohio. May I ask this question: The bill goes to conference. When it returns from conference, will the same opportunity be provided for considering the matter?

Mr. HALLECK. Of course not. If the conference report comes back in agreement, then the motion is on agreeing to the conference report, and it would be in order, under the rules under which we are operating, and the vote would be up or down on the conference report.

Mr. SMITH of Ohio. I do not care at this late hour to detain the House, of course, or cause any more inconvenience than is absolutely necessary. I do want to state, however, that the manner in which this legislation is being handled is hardly what the people of this Nation expected from a Republican Congress.

I withdraw my reservation to object.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. REES]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. REES, Mr. STEVENSON, Mr. MURRAY of Tennessee, and Mr. LYLE.

EMPIRE PARLIAMENTARY ASSOCIATION

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 201, Eightieth Congress, the Chair appoints the following Members on the part of the House to attend the meeting of the Empire Parliamentary Association to be held in Bermuda beginning November 15, 1948: Mr. TALLE, of Iowa, chairman; Mr. CORBETT, of Pennsylvania; Mr. KEFAUVER, of Tennessee; Mr. WORLEY, of Texas.

PERMISSION TO ADDRESS THE HOUSE

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, after the adjournment of this Congress, there is going to be a lot of talk by the Republicans about what this Congress has done for the people. Minor accomplishments are going to be blown up into something of major significance. Major legislation which aids the special interests and which really is detrimental to the interests of the common people is going to be distorted into accomplishments for all the people.

The reasons for magnifying small accomplishments and distorting the benefits of the important legislation which has been passed are obvious. The Republican Party will have to do these things, for it can honestly point to preciously few accomplishments which are of benefit to the common man. Rather, its record in this Congress is one of doing things to the common man and preciously little for him. The Republican Party has bowed to the will of the powerful special interests and has turned a deaf ear to the voice of the people.

Whenever bills which suit the special-interest lobbies have come before Congress they have received sympathetic and prompt attention of the Republican-dominated committees and have been pushed through the Congress under the whip of Republican leadership. Only the veto of the President has prevented the enactment of some of the most vicious legislation. But legislation which is in the interest of the common people, such as bills providing health and sound education programs and extending social security has received hostile attention and inaction in committees. Their advocates have been bullied and harrassed by the Republicans for even suggesting that the Congress do the things which the people need, while their selfish opponents have been accorded the courtesy characteristic of fellow members of an exclusive club. Even when, under the insistent demands of the people, such legislation as housing has been reported for action in this House, the Republican leadership has cracked the whip and has prevented the members from having the opportunity to vote.

Before examining what this Congress has not done, let us take a look at its accomplishments and see whether they do things for the people or to the people.

I am quite confident that the tax reduction voted in this session is going to be proclaimed throughout the country as a major accomplishment of the Republicans for the people. It is quite true that in making a $7,500 gift to the typical family with a $50,000 income that this Congress threw a $114 sop to the $3,000 family. That small saving may look good on the small taxpayer's income-tax return. But he would have been a lot better off if the Republican Congressmen who wailed so much about the inflationary effects of deficit financing when we were at war had applied these gifts for the rich to deflationary reduction of the public debt in these times of high incomes and high prices. The President's tax program which would have reduced taxes for the typical family, rich and poor, by $160, and which would have raised corporate taxes would have done more for most people in both their tax bills and the cost of living.

The bipartisan foreign-aid program is, in my judgment, the only major constructive legislation which has been enacted by this Congress. Quite aside from the humanitarian aspects, the common people have a real interest in this, because it means the protection of democratic institutions at home and abroad and, with an effective international organization, holds the major hope for peace in our time. Yet when it came to implementing this program in these times of peril, the Republican record is unbelievably bad. Under the lash of the Republican leadership, this House passed a bill which would have chopped off 25 percent of the money which this Congress, after long deliberation, had determined would be the minimum needs of our fellow democracies for postwar recovery. The amounts that have been restored will not undo the harm which this meat-ax philosophy or the intemperate remarks of the Republican diehards have done to the preservation of democratic governments abroad.

And then there is the reciprocal trade program, which for many years has become the symbol of this country's willingness to do business abroad. Despite the dependence of foreign democracies on these reciprocal trade pacts for their survival, despite the interests of the common man in this country in a healthy foreign trade for jobs and reasonable prices, the Republicans in this House yielded to the pressure of the high-tariff lobbies which think more of profits than of world security. In extending the authority for reciprocal trade agreements for only 1 year and imposing unworkable restrictions, this House would have all but wrecked this program. Fortunately the Senate eliminated the worst restrictions, but the crisis precipitated by the Republican leadership in this House serves notice to the people of the kind of special-interest legisla-

80TH CONGRESS
2D SESSION

H. R. 6916

IN THE SENATE OF THE UNITED STATES

JUNE 19 (legislative day, JUNE 15), 1948
Read twice, considered, amended, read the third time, and passed

AN ACT

To provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That this Act shall be cited as the "Postal Rate Revision and Salary Act of 1948".~~

~~TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT~~

~~SEC. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed~~

by the Act entitled "An Act to reclassify the salaries of post-masters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: *Provided,* That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further,* That post-masters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

SEC. 102. The provisions of this Act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 103. This title shall take effect as of July 1, 1948.

TITLE II—POSTAL RATE REVISION

AIR MAIL

SEC. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall, except in the case of postal cards and private mailing or post cards, 6 cents for each ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to

use of postal cards", approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

THIRD-CLASS MAIL

SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be $1\frac{1}{2}$ cents for each two ounces or fraction thereof: *Provided*, That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that

in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *And provided further,* That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 203. Publications containing twenty-four pages or more issued at regular intervals of four or more times a year, 25 per centum or more of whose pages are devoted to text or reading matter and not more than 75 per centum to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: *Provided,* That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or

calling of those who own or control them shall not be accepted under this section.

FOURTH CLASS (PARCEL POST) MAIL

SEC. 204. (a) On fourth-class matter (limit of weight over eight ounces to seventy pounds) the rate of postage except as herein provided for catalogs (limit of weight over eight ounces up to and including ten pounds), books, and library books, shall be by the pound as hereinafter provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof, 1 cent for each additional pound or fraction thereof up to and including ten pounds, and $\frac{3}{4}$ cent for each pound or fraction thereof exceeding ten pounds.

(2) For delivery within the first and second zones,

except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2 1/10 cents for each additional pound or fraction thereof up to and including ten pounds, and 2 cents for each pound or fraction thereof exceeding ten pounds.

(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including ten pounds, and 2 8/10 cents for each pound or fraction thereof exceeding ten pounds.

(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4 1/2 cents for each additional pound or fraction thereof up to and including ten pounds, and 4 1/4 cents for each pound or fraction thereof exceeding ten pounds.

(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5 1/2 cents for each pound or fraction thereof exceeding ten pounds.

(6) For delivery within the sixth zone, 16 cents

for the first pound or fraction thereof 7½ cents for each additional pound or fraction thereof up to and including ten pounds, and 7½ cents for each pound or fraction thereof exceeding ten pounds.

(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, 9½ cents for each additional pound or fraction thereof up to and including ten pounds, and 9¼ cents for each pound or fraction thereof exceeding ten pounds.

(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including ten pounds, and 11¼ cents for each pound or fraction thereof exceeding ten pounds.

(9) On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other

point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 7½ cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, 13 cents for

the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding seventy pounds in weight, may be sent at the postage rate of 8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organiza-

tions, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: *Provided*, That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, 15 cents; matter weighing more than two but not more than ten pounds, 20 cents; matter weighing more than ten pounds, 25 cents: *Provided*, That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equiv-

alent value may be accepted in lieu of the special-handling stamps herein specified.

SPECIAL DELIVERY

SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents: *Provided,* That, under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

MONEY ORDERS

SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows: For orders less than $5 and 1 cent, 10 cents; for orders from $5 and 1 cent up to and including $10, 15 cents; for orders from $10 and 1 cent up to and including

$50, 25 cents; for orders from $50 and 1 cent up to and including $100, 35 cents.

POSTAL NOTES

SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for issuance thereof shall be 8 cents each.

(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue, but thereafter may be paid by the Postmaster General or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: *Provided,* That no claim for the amount of a postal note will be considered unless filed within one year from the last day of the month of issue. Postal notes shall not be negotiable or transferable through endorsement.

REGISTERED MAIL

SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry

indemnity exceed $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemnity exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $800, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $600, 7 cents; by more than $600 but not more than $800, 8 cents; by

more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (know as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more, the additional fee for each $1,000

or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery, within the first zone, 8 cents; for delivery within the second zone; 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered,

which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR INSURED MAIL

SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50 but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided,* That upon payment of the additional sum of 26 cents at the

time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in additional to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceed-

ing $200. The fee for notifying the sender or his representative of inability to deliver a collect-on-delivery article shall be 5 cents.

RESTRICTION IN DELIVERY

SEC. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided*, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or non-delivery of the article or articles was due to some fault of the postal service.

REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum

~~amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.~~

~~(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.~~

~~SEC. 214. This title shall take effect on the first day of the second calendar month following the calendar month in which it is enacted.~~

That this Act may be cited as the "Federal Employees Pay Act of 1948".

TITLE I—INCREASES IN PAY RATES OF POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

INCREASE IN BASIC PAY RATES OF POSTAL EMPLOYEES

SEC. 101. The rate of compensation of each postmaster, officer, and employee in the postal service whose rate of compensation is prescribed by the Act entitled "An Act to

reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, and by the Act entitled "An Act to provide additional compensation for postmasters and employees of the postal service", approved May 21, 1946, is increased by $450 per annum, except that any such rate which is paid on an hourly or part-time basis shall be increased by 22.5 cents per hour, and rates of compensation of postmasters at post offices of the fourth class shall each be increased 22.5 per centum.

INCREASE NOT TO DEFER PROMOTION

SEC. 102. The increase in any existing rate of compensation provided by this Act shall not be construed to be such an increase in the rate of pay as, under the provisions of the Act approved July 6, 1945, as amended, would defer an increase in pay by reason of promotion.

INCREASE IN EQUIPMENT ALLOWANCE FOR RURAL CARRIERS AND SPECIAL-DELIVERY MESSENGERS

SEC. 103. (a) Sections 17 (e) and 22 (d) of such Act of July 6, 1945, as amended, are each amended by striking out "6 cents per mile" and inserting in lieu thereof "8 cents per mile".

(b) Section 22 (d) of such Act of July 6, 1945, as

amended, is further amended by striking out "75 cents" and inserting in lieu thereof "$1".

(c) The Act entitled "An Act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of two years, and for other purposes" (Public Law 467, Eighty-eighth Congress), is hereby repealed.

TITLE II—AMENDMENTS OF THE CLASSIFICATION ACT OF 1923, AS AMENDED

COMPENSATION SCHEDULE

SEC. 201. (a) Hereafter, the rates of basic compensation for officers, employees, and positions in the departmental and field services, who are required to be compensated in accordance with the Classification Act of 1923, as amended, shall be in conformity with the following compensation schedule of per annum rates:

Grade	*Minimum rate*	*Intermediate rates*	*Maximum rate*
1	*$1,410*	*$1,475, $1,540, $1,605*	*$1,670*
2	*2,070*	*$2,130, $2,190, $2,250, $2,310, $2,370*	*2,430*
3	*2,430*	*$2,500, $2,570, $2,640, $2,710, $2,780*	*2,850*
4	*2,870*	*$2,970, $3,070, $3,170, $3,270, $3,370*	*3,470*
5	*3,470*	*$3,595, $3,720, $3,845, $3,970, $4,095*	*4,220*
6	*4,220*	*$4,395, $4,570, $4,745, $4,920, $5,095*	*5,270*
7	*5,270*	*$5,445, $5,620, $5,795, $5,970, $6,145*	*6,320*
8	*6,320*	*$6,570, $6,820, $7,070*	*7,320*
9	*7,470*	*$7,720, $7,970, $8,220*	*8,470*
10	*8,570*	*$8,870, $9,170, $9,470*	*9,770*
11	*10,070*	*$10,370, $10,670, $10,970*	*11,270*
12	*11,570*	*$12,070, $12,570, $13,070*	*13,570*

Charwomen working part time shall be paid at the rate of $1.07 an hour, and head charwomen working part time shall be paid at the rate of $1.12 an hour.

(b) Notwithstanding the provisions of section 13 of the Classification Act of 1923, as amended:

Grade 1 of the compensation schedule set forth in sub-

section (a) shall include all classes of positions that are or would be properly placed in grade 1 of the crafts, protective, and custodial service under such Act.

Grade 2 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grades 1 and 2 of the subprofessional service, grade 1 of the clerical, administrative, and fiscal service, grades 2 and 3 of the crafts, protective, and custodial service, and grade 1 of the clerical-mechanical service under such Act.

Grade 3 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grades 3 and 4 of the subprofessional service, grades 2 and 3 of the clerical, administrative, and fiscal service, grades 4 and 5 of the crafts, protective, and custodial service, and grade 2 of the clerical-mechanical service under such Act.

Grade 4 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 1 of the professional and scientific service, grades 5 and 6 of the subprofessional service, grades 4 and 5 of the clerical, administrative, and fiscal service, grades 6 and 7 of the crafts, protective, and

custodial service, and grade 3 of the clerical-mechanical service under such Act.

Grade 5 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 2 of the professional and scientific service, grades 7 and 8 of the subprofessional service, grades 6 and 7 of the clerical, administrative, and fiscal service, grades 8 and 9 of the crafts, protective, and custodial service, and grade 4 of the clerical-mechanical service under such Act.

Grade 6 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 3 of the professional and scientific service, grades 8 and 9 of the clerical, administrative, and fiscal service, and grade 10 of the crafts, protective, and custodial service, under such Act.

Grade 7 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 4 of the professional and scientific service and grades 10 and 11 of the clerical, administrative, and fiscal service, under such Act.

Grade 8 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or

would be properly placed in grade 5 of the professional and scientific service and grade 12 of the clerical, administrative, and fiscal service, under such Act.

Grade 9 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 6 of the professional and scientific service and grade 13 of the clerical, administrative, and fiscal service, under such Act.

Grade 10 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 7 of the professional and scientific service and grade 14 of the clerical, administrative, and fiscal service, under such Act.

Grade 11 of the compensation schedule set forth in subsection (a) shall include all classes of positions that are or would be properly placed in grade 8 of the professional and scientific service and grade 15 of the clerical, administrative, and fiscal service, under such Act.

Grade 12 of the compensation schedule set forth in subsection (a) shall include positions the duties of which are to plan and direct or to plan and execute frontier or unprecedented professional, scientific, or other specialized programs of outstanding difficulty, responsibility, and national significance, requiring extended professional, scientific,

or other specialized training and experience which has demonstrated outstanding leadership and attainments in professional, scientific, or other specialized research, practice, or administration; to serve as the head of a professional, scientific, or other bureau where the position, considering the kind and extent of the authorities and responsibilities vested in it, and the scope, complexity, and degree of difficulty of the activities carried on, is exceptional and outstanding among the whole group of positions of heads of such bureaus; or to perform consulting or other professional, scientific, or other specialized work of equal importance, difficulty, and responsibility.

No position shall be placed in grade 12, and no officer or employee to whom the Classification Act of 1923, as amended, applies shall be compensated at any of the rates of such grade, except by provision of an Act of Congress referring to that specific position, or after prior approval by the Civil Service Commission. Such prior approval shall cover the evaluation of the duties, responsibilities, and qualification requirements of the position and the qualifications of any proposed appointee thereto.

The Civil Service Commission shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions placed in grade 12

in the respective departments and agencies during that calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each: Provided, however, That in any instance where the head of the department or agency may consider full public report on these items detrimental to the national security, the Commission is authorized to omit such items from its annual report, and, in lieu thereof, the head of the department or agency shall present such information in executive sessions of such committees of the Senate and House of Representatives as the presiding officers of those bodies shall designate.

(c) Whenever payment is made on the basis of a daily, hourly, weekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (a) according to the method prescribed in section 604 of the Federal Employees Pay Act of 1945.

(d) The following paragraphs of section 13 of the Classification Act of 1923, as amended, under the headings indicated, are hereby repealed:

PROFESSIONAL AND SCIENTIFIC SERVICE

"Grade 9 in this service, which may be referred to as the special professional grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $10,000."

"*CLERICAL, ADMINISTRATIVE, AND FISCAL SERVICE*

"*Grade 16 in this service, which may be referred to as the special executive grade, shall include all positions which are or may be specifically authorized or appropriated for at annual rates of compensation in excess of $10,000.*"

INITIAL SALARY ADJUSTMENTS

SEC. 202. (a) The existing rate of basic compensation of any officer or employee in a pay status in a position required to be compensated in accordance with the compensation schedule set forth in subsection (a) of section 201 shall be initially adjusted as follows:

(1) If his position is in grade 1 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$1,080	*$1,410.00*
$1,170	*1,475.00*
$1,258	*1,540.00*
$1,330	*1,605.00*
$1,402	*1,670.00*

(2) If his position is in grade 2 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$1,690	*$2,070.00*
$1,756	*2,070.00*
$1,822	*2,130.00*
$1,872	*2,190.00*
$1,888	*2,190.00*
$1,954	*2,250.00*
$2,017.60	*2,310.00*
$2,020	*2,310.00*
$2,093.04	*2,370.00*
$2,168.28	*2,438.28*
$2,243.52	*2,513.52*

(3) If his position is in grade 3 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$1,954	*$2,430.00*
$2,020	*2,430.00*
$2,093.04	*2,430.00*
$2,163.20	*2,500.00*
$2,168.28	*2,500.00*
$2,243.52	*2,570.00*
$2,318.76	*2,640.00*
$2,329.60	*2,640.00*
$2,394	*2,710.00*
$2,469.24	*2,780.00*
$2,544.48	*2,850.00*
$2,619.72	*2,889.72*
$2,694.96	*2,964.96*

(4) If his position is in grade 4 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$2,394	*$2,870.00*
$2,469.24	*2,870.00*
$2,496	*2,870.00*
$2,544.48	*2,870.00*
$2,619.72	*2,970.00*
$2,641.60	*2,970.00*
$2,644.80	*2,970.00*
$2,694.96	*2,970.00*
$2,770.20	*3,070.00*
$2,845.44	*3,170.00*
$2,895.60	*3,270.00*
$2,920.68	*3,270.00*
$3,021	*3,370.00*
$3,146.40	*3,470.00*
$3,271.80	*3,541.80*
$3,397.20	*3,667.20*

(5) If his position is in grade 5 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$2,808	*$3,470.00*
$2,895.60	*3,470.00*
$3,021	*3,470.00*
$3,099.20	*3,470.00*
$3,146.40	*3,470.00*
$3,271.80	*3,595.00*
$3,397.20	*3,720.00*

(5) *If his position is in grade 5 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$3,522.60	*$3,845.00*
$3,648	*3,970.00*
$3,773.40	*4,095.00*
$3,898.80	*4,220.00*
$4,024.20	*4,294.20*
$4,149.60	*4,419.60*

(6) *If his position is in grade 6 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$3,648	*$4,220.00*
$3,773.40	*4,220.00*
$3,898.80	*4,220.00*
$4,024.20	*4,395.00*
$4,149.60	*4,570.00*
$4,275	*4,570.00*
$4,400.40	*4,745.00*
$4,525.80	*4,920.00*
$4,651.20	*5,095.00*
$4,776.60	*5,095.00*
$4,902	*5,270.00*

(7) *If his position is in grade 7 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$4,525.80	*$5,270.00*
$4,651.20	*5,270.00*
$4,776.60	*5,270.00*
$4,902	*5,270.00*
$5,027.40	*5,445.00*
$5,152.80	*5,620.00*
$5,278.20	*5,620.00*
$5,403.60	*5,795.00*
$5,654.40	*5,970.00*
$5,905.20	*6,320.00*

(8) *If his position is in grade 8 of such compensation schedule, and his existing basic compensation is at a rate per annum of—*	*Such rate shall be increased to a rate per annum of—*
$5,905.20	*$6,320.00*
$6,144.60	*6,570.00*
$6,384	*6,820.00*
$6,623.40	*7,070.00*
$6,862.80	*7,320.00*

(9) If his position is in grade 9 of such compensation schedule, and his existing basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$7,102.20	*$7,470.00*
$7,341.60	*7,720.00*
$7,581	*7,970.00*
$7,820.40	*8,220.00*
$8,059.80	*8,470.00*

(10) If his position is in grade 10 of such compensation schedule, and his existing rate of basic compensation is at a rate per annum of—	*Such rate shall be increased to a rate per annum of—*
$8,179.50	*$8,570.00*
$8,478.75	*8,870.00*
$8,778	*9,170.00*
$9,077.25	*9,470.00*
$9,376.50	*9,770.00*

(11) If his position is in grade 11 of such compensation schedule, his existing rate of basic compensation shall be adjusted as follows:

(A) If he has had less than eighteen months of service creditable for within-grade salary advancements under the Classification Act of 1923, as amended, since his last equivalent increase, his existing rate shall be adjusted to $10,070 per annum.

(B) If he has had eighteen but less than thirty-six months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,370 per annum.

(C) If he has had thirty-six but less than fifty-four

months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,670 per annum.

(D) If he has had fifty-four but less than seventy-two months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $10,970 per annum.

(E) If he has had seventy-two or more months of such creditable service since his last equivalent increase, his existing rate shall be adjusted to $11,270 per annum.

(b) A previous salary advancement of $25 per annum, or a salary increase under paragraphs (1) to (10), inclusive, of subsection (a) shall not be considered an "equivalent increase" for the purpose of within-grade salary advancements under the Classification Act of 1923, as amended.

(c) Upon adjustment of the salary of any person pursuant to subparagraph (A), (B), (C), or (D) of paragraph 11 of subsection (a) any creditable service in excess of that required for such adjustment shall be credited toward the first within-grade salary advancement subsequent to such adjustment.

(d) Each of the rates, $2,438.28 and $2,513.52 in grade 2, $2,889.72 and $2,964.96 in grade 3, $3,541.80

and $3,667.20 in grade 4, and $4,294.20 and $4,419.60 in grade 5, is authorized to be paid only to those employees whose existing compensation is initially adjusted to that rate under this section.

BASIS FOR CLASSIFYING POSITIONS

SEC. 203. Section 2 of the Classification Act of 1923, as amended, is amended by inserting "(a)" before the first sentence thereof, and by adding at the end of such section a new subsection as follows:

"(b) (1) Each position shall be placed in its appropriate class and grade. The basis for determining the class and the grade in which each position shall be placed shall be the duties and responsibilities of such position and the qualifications required by such duties and responsibilities.

"(2) In placing positions in classes and grades, there shall be taken into consideration all material facts which, in a given case, are relevant to the degree of difficulty, the weight of the responsibility, and the qualification requirements of the work involved in the position, such as (1) kind and variety of work; (2) nature and extent of available guide lines for performance of work; (3) nature of supervisory control exercised by others over the work; (4) initiative, originality, or judgment required; (5) purpose and nature of personal contacts required by the work; (6) nature and scope of recommendations, decisions, commitments, and

conclusions involved; (7) kind, scope, and extent of knowledge, ability, and other qualities required; (8) kind, length, and quality of experience necessary; and (9) nature and extent of supervisory control over the work of other employees.

"(3) Additional duties and responsibilities assigned to an employee because of his exceptionally efficient service shall be given due weight in placing his position in its appropriate class and grade.

"(4) Supervisory positions shall not be placed in a class and grade solely on the basis of the size of the group, section, bureau, or other organization unit or the number of subordinates supervised. Such factors may be given effect only to the extent warranted by the work load of the organization unit and then only in combination with other factors, such as the kind, difficulty, and complexity of work supervised, the degree and scope of responsibility delegated to the supervisor, and the kind, degree, and value of the supervision actually exercised."

STANDARDS FOR CLASSIFYING POSITIONS

SEC. 204. The third paragraph of section 3 of the Classification Act of 1923, as amended, is further amended by inserting "(c)" before the first sentence of such paragraph; by inserting "(e)" before the sixth sentence of such

paragraph; and by amending the second, third, fourth, and fifth sentences of such paragraph to read as follows:

"(d) (1) The Civil Service Commission, after consultation with departments and agencies, shall prepare and publish standards for placing positions in their proper classes and grades. The Commission is authorized to make such inquiries or investigations of the duties and responsibilities and qualification requirements of positions as it deems necessary for this purpose. Such standards shall, in terms of duties, responsibilities, and qualification requirements, define the various classes of positions that exist in the service; shall establish the official class titles; shall show the grades in which such classes have been placed by the Commission; and shall be published in such form as the Commission shall determine. At the request of the Commission, departments and agencies shall furnish information and cooperate in the preparation of such standards.

"(2) The Commission shall keep such standards up to date. From time to time, after consultation with the departments and agencies to the extent deemed necessary, it may revise, supplement, amend, abolish, merge, or divide existing standards, or prepare new standards, so that, as nearly as may be practicable, positions existing at any given time within the service will be covered by current published standards.

"(3) The official class titles so established shall be used for personnel, budget, and fiscal purposes to the extent deemed necessary by the Commission, but this shall not prevent the use of organizational or other titles for internal administration, public convenience, law enforcement, or similar purposes."

AUTHORITY AND PROCEDURE

SEC. 205. Section 4 of the Classification Act of 1923, as amended, is hereby amended to read as follows:

"SEC. 4. (a) In conformity with standards issued pursuant to the provisions of section 3 (d) of this Act, departments and agencies (1) shall place all positions in their departmental and field services in their respective classes and grades and (2) shall review the determination of the class and grade of a position whenever it materially changes with respect to its duties, responsibilities, or qualification requirements and shall revise such determination when the facts warrant.

"(b) Action taken under the authority of subsection (a) of this section shall be final unless and until changed by certification of the Commission: Provided, That departments and agencies shall refer to the Commission for final action such positions in the departmental service as are not at the time covered by standards published by the Commission.

"(c) The Commission shall post-audit actions taken

under the authority of subsection (a) of this section, and shall have authority on its own motion, or at the request of the employee occupying the position, or otherwise to ascertain currently the facts as to the duties, responsibilities, and qualification requirements of any position. In connection with such post audits, departments and agencies shall provide the Commission with information regarding the duties and responsibilities of positions, reasons for placing individual positions in the respective classes and grades, and related information requested by the Commission.

"(d) Whenever the Commission, after investigation and after affording the department or agency concerned an opportunity for explanation and for submitting further information, shall determine that any position subject to this Act (1) has not been placed in its proper class and grade, or (2) has not been placed in any class and grade, the Commission shall place such position in its proper class and grade and shall certify its findings and a statement of the necessary corrections to the department or agency concerned and to the General Accounting Office.

"(e) Departments and agencies shall take action in accordance with such certificates of the Commission. The Commission's certificates shall be binding on all certifying, pay-roll, disbursing, and accounting officers of the Government. Any pay adjustment shall be effective at the begin-

ning of the pay period in which the Commission's certificate is received in the appropriate administrative office.

"(f) The rate of basic compensation to which an officer's or employee's existing rate shall be adjusted when (1) the standards issued under section 3 (d) of this Act are first applied to his position or (2) an error in placing his position in a class and grade is corrected, shall be in accordance with the compensation schedule established by section 201 (a) of the Federal Employees Pay Act of 1948 and shall be governed by regulations issued by the Commission: Provided, That if such rate is lower than the rate at which he has theretofore been receiving compensation, or at which he was hired, and the Commission finds that the circumstances of the individual case warrant (A) continuance of the rate at which he has theretofore been receiving compensation or at which he was hired, or (B) adjustment to any standard rate falling between the rate specified in (A) and the appropriate rate as set out in such compensation schedule; it may authorize such continuance or adjustment. If any officer or employee of long and efficient service is transferred or reassigned, not for delinquency or misconduct, to a position in a lower class or grade, and the Commission finds that the circumstances of the individual case warrant (i) continuance of the rate at which he has theretofore been receiving compensation, or (ii) adjustment to any standard rate falling

between the rate specified in (i) and the appropriate rate as set out in the compensation schedule, it shall so notify the employing agency and such continuance or adjustment shall be made accordingly.

"(g) Whenever the Commission finds that the actions of any department or agency in placing positions in classes and grades are not in accordance with standards issued pursuant to section 3 (d) of this Act and that the errors or failure in applying such standards are sufficiently serious to warrant immediate supervision by the Commission of future actions, the Commission may, in its discretion, after affording the department or agency an opportunity for consultation and explanation, withdraw or suspend in whole or in part the authority of the department or agency to take final action and require approval of such actions by the Commission prior to their becoming effective. After any such withdrawal or suspension, the Commission may restore such authority when, in its judgment, such restoration is warranted by the corrective steps taken by the department or agency to prevent future errors or failures. The Commission shall promptly notify the General Accounting Office of any such withdrawal, suspension, or restoration.

"(h) In determining the rate of compensation which an employee shall receive, the principle of equal compensation for equal work irrespective of sex shall be followed."

WITHIN-GRADE SALARY ADVANCEMENTS

SEC. 206. Subsection (b) of section 7 of the Classification Act of 1923, as amended, is hereby further amended by striking out "twelve months" and substituting "fifty-two weeks" therefor; and by striking out "eighteen months" and substituting "seventy-eight weeks" therefor.

ADDITIONAL SALARY ADVANCEMENTS

SEC. 207. Subsection (f) of section 7 of the Classification Act of 1923, as amended, is amended by inserting befor the words "this subsection" wherever they appear therein the words "the first sentence of", and by adding at the end thereof the following:

"Within the limit of available appropriations, as a reward for long, faithful, and outstanding service, under standards to be issued by the Commission, and subject to prior approval by the Commission, or delegation of authority as provided in subsection (g), the head of any department or agency is authorized to award additional salary advancements to an employee beyond the maximum rate of the grade in which the employee's position is placed, but no employee's salary shall be increased beyond the maximum rate for his position by more than three such additional salary advancements, and no employee shall receive more than one such advancement during any three-year period. Each such additional salary advancement shall be equal to the highest

increment between any two consecutive rates of the grade in which the employee's position is placed, and shall be subject to the following conditions:

"(1) The employee shall have completed at least three years of continuous service, certified by his department or agency as being of outstanding value to the Government, at the maximum rate of his position, or at such rate in excess thereof as is authorized by this subsection, without change of grade or rate of basic compensation except that due to an Act of Congress of general application.

"(2) He shall have had, in the aggregate, not less than ten years of service in the position which he then occupies, or in positions of equivalent or higher class or grade.

"(3) The performance of an employee who is receiving additional salary advancement beyond the maximum rate shall be reviewed annually, and if this review reflects a failure to render outstanding service the employee's rate of pay shall revert to the rate which he received immediately prior to his last advancement."

MISCELLANEOUS PROVISIONS

SEC. 208. Rule 6 of section 6 of the Classification Act of 1923, as amended, is amended by inserting before the period at the end thereof a comma and the following: "except that appointments or other assignments to positions in grades 11 and 12 may, with the prior approval of the

Civil Service Commission, be made at, or subsequently adjusted to, any rate of the grade".

SEC. 209. Whenever the Civil Service Commission shall find (a) that a sufficient number of qualified eligibles for positions of a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (b) that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to a rate not higher than the middle rate of the grade in which such class is placed, the Commission may, by regulation, establish such higher rate as the minimum rate for that class in the areas or locations concerned. Each such regulation shall specify the date, not more than one year from the date of issuance, when it shall cease to be effective unless extended by another such regulation.

SEC. 210. The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of the foregoing provisions of this title in the departmental and field services and to identify the positions falling under section 211 of this title.

SEC. 211. Section 5 of the Classification Act of 1923, as amended, is amended to read as follows:

"SEC. 5. (a) This Act shall not be applicable to positions and employees in recognized trades or crafts, or other

skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations; and the rates of basic compensation of such positions and employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose.

"(b) This Act shall not be applicable to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, vessel employees of the Panama Railroad Company, or other vessel employees of the United States; and the rates of basic compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with wage practices of the maritime industry."

TITLE III—INCREASES IN PAY RATES OF LEGISLATIVE, JUDICIAL, AND CERTAIN OTHER EMPLOYEES

INCREASE IN PAY RATES OF EMPLOYEES IN LEGISLATIVE BRANCH

SEC. 301. (a) Section 501 of the Federal Employees Pay Act of 1945, as amended, is amended by inserting before the period at the end of the first sentence of such

section the following: "thereby, plus, except as hereinafter provided, (1) 18 per centum of his rate of compensation (including the additions thereto provided by the foregoing portion of this sentence), or (2) $360 per annum, whichever is the lesser. No employee in the office of a Senator, Representative, Delegate, or Resident Commissioner, and no clerical or professional staff member of a committee of the Senate or House of Representatives shall be paid, with respect to any pay period, any additional compensation under the provisions of clause (1) or (2) of the preceding sentence, or any compensation at a rate in excess of $10,000 per annum, unless such Senator, Representative, Delegate, or Resident Commissioner, or the chairman of such committee, shall so certify in writing to the appropriate disbursing office, and in such event payment of such compensation shall begin on the first regular pay day following such certification, or following the effective date of title III of the Federal Employees Pay Act of 1948, whichever is later. Notwithstanding the provisions of any other law or laws, the basic compensation of any employee, other than an administrative assistant, in the office of a Senator, Representative, Delegate, or Resident Commissioner may be fixed by such Senator, Representative, Delegate, or Resident Commissioner at any multiple of $5 per month which is not in excess of $5,700 per annum. Any such

increase shall be made by certification in writing to the appropriate disbursing officer before the first day on which compensation at such increased rate is to be effective".

(b) The annual compensation of each of the elected officers of the Senate and the House of Representatives (not including the Presiding Officers of the two Houses), as fixed by section 201 (a) of the Legislative Reorganization Act of 1946, shall be increased by $360.

INCREASE IN PAY RATES OF EMPLOYEES IN JUDICIAL BRANCH

SEC. 302. Section 521 of the Federal Employees Pay Act of 1945, as amended, is amended by inserting before the period at the end of the first sentence of such section the following: "thereby, plus (1) 18 per centum of his rate of compensation (including the additions thereto provided by the foregoing portion of this sentence), or (2) $360 per annum, whichever is the lesser".

INCREASE IN PAY RATES OF CUSTOMS CLERKS, IMMIGRANT INSPECTORS, AND CERTAIN OTHER EMPLOYEES IN THE EXECUTIVE BRANCH WHOSE RATES ARE FIXED BY STATUTES OTHER THAN THE CLASSIFICATION ACT

SEC. 303. (a) Each of the existing rates of basic compensation provided by the Act entitled "An Act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended and supple-

mented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by (1) 18 per centum of such rate, or (2) $360 per annum, whichever is the lesser. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Except as provided in subsection (c) of this section, rates of basic compensation specifically provided by statute (including any increases therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945 and section 4 of the Federal Employees Pay Act of 1946), for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1947, and are not increased by any other provisions of this Act, are hereby increased by (1) 18 per centum of such rate, or (2) $360 per annum, whichever is the lesser. Such augmented rates shall be considered to be the regular rates of compensation.

(c) The rates of basic compensation of officers and employees who, on the effective date of this Act, are receiving basic compensation at the rate of $9,975 or more per annum in positions not subject to the Classification Act of 1923, as amended, but in organizations subject generally to

the Classification Act of 1923, as amended, and for which a single or maximum rate of basic compensation has heretofore been fixed by statute at $9,975 or more, shall, upon recommendation by the head of the department or agency concerned and approval by the Civil Service Commission, be fixed in accordance with the Classification Act of 1923, as amended.

MINIMUM RATE OF COMPENSATION

SEC. 304. If any rate, as increased by section 302 or 303 of this Act, except a rate provided for a foreign service staff officer or employee is insufficient to provide compensation of $2,070 for each two thousand and eighty hours required to be devoted exclusively to the service of the United States by any worker who has attained his eighteenth birthday anniversary, such rate shall be adjusted by the head of the employing agency so as to provide such compensation. Such adjusted rate shall be considered to be the regular rate of compensation. For the purpose of this section, the number of hours required in the case of any position to be devoted exclusively to the service of the United States, if not determined by law, shall be determined, from time to time, by the head of the employing agency.

MAXIMUM RATE OF COMPENSATION

SEC. 305. (a) Section 603 (b) of the Federal Em-

ployees Pay Act of 1945, as amended, is amended by striking out "$10,000" where it first appears in such section and inserting in lieu thereof "$11,270".

(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out "$10,000" and inserting in lieu thereof "$11,270".

(c) No officer or employee shall, by reason of any provision of this title, except section 301 (b) or 303 (c), be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $11,270 per annum.

INCREASE IN MAXIMUM PER DIEM RATES FOR TEMPORARY OR INTERMITTENT SERVICES

SEC. 306. (a) As to departments and agencies subject to the Classification Act of 1923, as amended, expert and consultant personnel employed by contract in accordance with section 15 of Public Law 600, Seventy-ninth Congress, may, notwithstanding provisions of other laws, be compensated at any rates of compensation not in excess of the daily rate equivalent of the highest annual rate provided for grade 11 by section 201 of this Act.

(b) Section 15 of Public Law 600, Seventy-ninth Congress, is amended by striking out "payable under the Classi-

fication Act", and inserting in lieu thereof "provided for grade 11 by section 201 of the Federal Employees Pay Act of 1948".

TITLE IV—GENERAL PROVISIONS

RATES OF PRESENT INCUMBENTS NOT TO BE REDUCED

SEC. 401. In no case shall the rate of basic compensation, authorized by law, being received by the incumbent of any position subject to this Act on the date of enactment of this Act be decreased as a result of the enactment of this Act so long as he continues to occupy the position occupied by him on the date of enactment of this Act, other than by reason of action of the Civil Service Commission pursuant to the provisions of section 203, 204, or 205, or by reason of the provisions of section 211; but when the position becomes vacant, the basic rate of compensation of any new appointee shall be fixed in accordance with the provisions of this Act.

APPROPRIATION AUTHORIZED

SEC. 402. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. The additional amounts required by any agency for that purpose shall not be subject to any limitations now imposed by law (other than appropriation Acts) on the amount that may be appropriated for the salaries of its officers and employees.

EFFECTIVE DATE

SEC. 403. This Act shall take effect with respect to any officer or employee on the first day of the first pay period which begins after the date of enactment of this Act.

SEC. 404. The provisions of this Act granting an increase in compensation to employees of the United States and of the District of Columbia shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

Amend the title so as to read: "A bill to increase the rates of compensation of employees of the Government."

Passed the House of Representatives June 18 (legislative day, June 17), 1948.

Attest: JOHN ANDREWS,

Clerk.

80TH CONGRESS
2D SESSION

H. R. 6916

AN ACT

To provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department.

JUNE 19 (legislative day, JUNE 15), 1948

Read twice, considered, amended, read the third time, and passed

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2446

PROVIDING FOR PERMANENT POSTAL RATES AND ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES OF THE FIELD SERVICE IN THE POST OFFICE DEPARTMENT

JUNE 19, 1948.—Ordered to be printed

Mr. REES, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 6916]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act shall be cited as the "Postal Rate Revision and Federal Employees Salary Act of 1948".

TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT

SEC. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: Provided, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: Provided further, That postmasters at post offices of the fourth class shall receive additional

compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

SEC. 102. The provisions of this Act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 103. (a) Sections 17 (e) and 22 (d) of such Act of July 6, 1945, as amended, are each amended by striking out "6 cents per mile" and inserting in lieu thereof "7 cents per mile".

(b) Section 22 (d) of such Act of July 6, 1945, as amended, is further amended by striking out "75 cents" and inserting in lieu thereof "90 cents".

(c) The Act entitled "An Act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of two years, and for other purposes" (Public Law 467, Eightieth Congress), is hereby repealed.

SEC. 104. This title shall take effect on the first day of the first pay period which begins after June 30, 1948.

TITLE II—POSTAL RATE REVISION

AIR MAIL

SEC. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall, except in the case of postal cards and private mailing or post cards, be 6 cents for each ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to use of postal cards", approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

THIRD-CLASS MAIL

SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 1½ cents for each two ounces or fraction thereof: Provided, That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: Provided further, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: And provided further, That pieces or packages of such size or form as to prevent ready facing and tying in

bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 203. Publications containing twenty-four pages or more issued at regular intervals of four or more times a year, 25 per centum or more of whose pages are devoted to text or reading matter and not more than 75 per centum to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: Provided, That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them shall not be accepted under this section.

FOURTH-CLASS (PARCEL POST) MAIL

SEC. 204. (a) On fourth-class matter (limit of weight over eight ounces to seventy pounds) the rate of postage except as herein provided for catalogs (limit of weight over eight ounces up to and including ten pounds), books, and library books, shall be by the pound as hereinafter provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof, 1 cent for each additional pound or fraction thereof up to and including ten pounds, and ¾ cent for each pound or fraction thereof exceeding ten pounds.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2⅒ cents for each additional pound or fraction thereof up to and including ten pounds, and 2 cents for each pound or fraction thereof exceeding ten pounds.

(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including ten pounds, and 2⅘ cents for each pound or fraction thereof exceeding ten pounds.

(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including ten pounds, and 4¼ cents for each pound or fraction thereof exceeding ten pounds.

(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5½ cents for each pound or fraction thereof exceeding ten pounds.

(6) For delivery within the sixth zone, 16 cents for the first pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including ten pounds, and 7¼ cents for each pound or fraction thereof exceeding ten pounds.

(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, 9½ cents for each additional pound or fraction thereof up to and including ten pounds, and 9¼ cents for each pound or fraction thereof exceeding ten pounds.

(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including ten pounds, and 11¼ cents for each pound or fraction thereof exceeding ten pounds.

(9) On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 7½ cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding seventy pounds in weight, may be sent at the postage rate of 8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organizations, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: Provided, That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, 15 cents; matter weighing more than two but not more than ten pounds, 20 cents; matter weighing more than ten pounds, 25 cents: Provided, That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equivalent value may be accepted in lieu of the special-handling stamps herein specified.

SPECIAL DELIVERY

SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents: Provided, That, under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

MONEY ORDERS

SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows: For orders less than $5 and 1 cent, 10 cents; for orders from $5 and 1 cent up to and including $10, 15 cents; for orders from $10 and 1 cent up to and including $50, 25 cents; for orders from $50 and 1 cent up to and including $100, 35 cents.

POSTAL NOTES

SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for issuance thereof shall be 8 cents each.

(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue, but thereafter may be paid by the Postmaster General or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: Provided, That no claim for the amount of a postal note will be considered unless filed within one year from the last day of the month of issue. Postal notes shall not be negotiable or tgansferable through endorsement.

REGISTERED MAIL

SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry indemnity exceeding $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemniiy exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $80, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $600, 7 cents; by more than $600 but not more than $800, 8 cents; by more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class

matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more, the additional fee for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 8 cents; for delivery within the second zone, 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: Provided, That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: Provided further, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR INSURED MAIL

SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not

exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50, but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: Provided, That upon payment of the additional sum of 26 cents at the time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: Provided further, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceeding $200. The fee for notifying the sender or his representative of inability to deliver a collect-on-delivery article shall be 5 cents.

RESTRICTION IN DELIVERY

SEC. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: Provided, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or non-delivery of the article or articles was due to some fault of the postal service.

REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections

and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.

(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.

SEC. 214. This title shall take effect on January 1, 1949.

TITLE III—FEDERAL EMPLOYEES PAY INCREASES

SEC. 301. Except as provided in section 303, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees Pay Act of 1946 shall receive additional compensation at the rate of $330 per annum: Provided, That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 20 cents per hour.

SEC. 302. The additional compensation provided by this Act in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

SEC. 303. (a) Section 603 (b) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "$10,000" where it first appears in such section and inserting in lieu thereof "$10,330".

(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out "$10,000" and inserting in lieu thereof "$10,330".

(c) No officer or employee shall, by reason of any provision of this title be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $10,330 per annum.

SEC. 304. The provisions of this Act granting an increase in compensation to employees of the United States and of the District of Columbia shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

SEC. 305. This title shall take effect on the first day of the first pay period which begins after June 30, 1948.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the amended title proposed by the Senate amendment, amend the title so as to read: "An Act to provide for permanent postal rates and to provide pay increases for Government employees."

EDWARD H. REES,
WM. H. STEVENSON,
C. W. VURSELL,
TOM MURRAY,
JOHN LYLE,
Managers on the Part of the House.

WILLIAM LANGER,
RALPH E. FLANDERS,
RAYMOND E. BALDWIN,
OLIN D. JOHNSTON,
HERBERT R. O'CONOR,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and inserted a substitute which provided for increases in pay of postal employees, and for revision of the classification schedules of the Classification Act of 1923, as amended, and for increased pay for Federal employees other than postal employees. The Senate amendment did not provide for postal rate revision. The substitute agreed to in conference follows closely the House bill except as explained below.

With respect to additional compensation for postal employees, title I of the conference substitute is the same as the House bill except that by inclusion of provisions from the Senate amendment the additional 1 cent per mile equipment allowance for rural carriers provided by Public Law 467, Eightieth Congress, has been made permanent, and the equipment allowance for special delivery messengers has been increased from 75 cents per hour to 90 cents per hour. The increases provided in the Senate amendment were 8 cents and $1, respectively. The increases provided by this title are made effective beginning with the first pay period following June 30, 1948.

The provisions of the Senate amendment relating to the revision of the compensation schedules of the Classification Act of 1923 have not been included in the conference substitute, but there are included provisions substantially similar to H. R. 6917 as reported to the House. There are, however, the following differences from H. R. 6917: It is provided that each officer and employee whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees Pay Act of 1946 shall receive additional compensation at the rate of $330 per annum. This title of the conference substitute also raises the present ceiling on salaries from $10,000 per annum to $10,330 per annum. It is provided that the increases in compensation shall take effect beginning with the first pay period following June 30, 1948. The provision of H. R. 6917, which provided that these increases should continue only until July 1, 1949, is not included in the conference substitute.

The conference substitute contains the provisions of title II of the House bill, relating to postal rate revision, without change, except that the changes in postal rates provided for are to be effective beginning January 1, 1949.

The conference substitute includes a provision, taken from the Senate amendment, providing that the pay increase provided for shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

The committee of conference recommends a modification of the title of the bill to conform to the provisions of the bill as agreed to in conference.

EDWARD H. REES,
WM. H. STEVENSON,
C. W. VURSELL,
TOM MURRAY,
JOHN LYLE,
Managers on the Part of the House.

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may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

"Sec. 205. Not less than 50 per centum of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army.

"In addition, the Department of the Army shall make available, for the commercial production of nitrogenous fertilizer materials for domestic use, ten per centum of the total anhydrous ammonia produced in the United States in plants operated by or for the Department of the Army, said anhydrous ammonia to be distributed as directed by the Department of Commerce, which shall give preference, in distributing said anhydrous ammonia, to producers of ammonium sulphate who were producing ammonium sulphate during the six months preceding the enactment of this Act or who shall have ceased to produce, or shall be faced with an imminent shutdown in the production of, ammonium sulphate for want of anhydrous ammonia, to the extent necessary to permit such producers to operate. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use and to credit the proceeds of such sales to the appropriation for Government and Relief in Occupied Areas to the extent of the cost of such production for such sales and any balance to miscellaneous receipts of the Treasury."

5. VETERANS' HOUSING. Concurred in House amendments to S. 2790, to provide for a secondary market for GI loans (pp. 9439-41). This bill will now be sent to the President.

6. VIRGIN ISLANDS. Agreed to conference report on H.R. 5904, to incorporate the Virgin Islands Corporation (p. 9428). House also agreed to conference report on this bill (p. 9488). This bill will now be sent to the President.

7. HOUSING. Agreed to as reported H.Con.Res. 197, to continue the Joint Committee on Housing (pp. 9431-2).

Sen. Morse, Ore., inserted a Portland (Ore.) Realty Board letter urging provisions for housing for Vanport (Ore.) evacuees (p. 9453).

8. FARM LANDS. Sen. Morse, Ore., inserted a USDA statement, "Flood Damage to Farms in Columbia Basin Estimated" (p. 9453).

9. STRATEGIC MATERIALS. Began debate on S. 2756, to establish a Mine Incentive Payments Division in the Interior Department (pp. 9398, 9400, 9404-12, 9414-5, 9416-9, 9420-2, 9428-31, 9432-8, 9445-7, 9448-9).

10. FLOOD RELIEF. Sen. Morse, Ore., inserted RFC's letters on flood-relief legislation in the Northwest (pp. 9450-1).

11. ADJOURNMENT. Agreed to H.Con.Res. 218, to provide for adjournment of both Houses until 12:00 noon, Fri., Dec. 31, 1948, subject to recall by the president pro tempore of the Senate, the Speaker of the House, and majority leaders of the House and Senate, jointly (pp. 9449-50, 9461).

HOUSE

12. SECOND DEFICIENCY APPROPRIATION BILL, 1948. Both Houses agreed to the conference report on this bill, H.R. 6935, and acted on the amendment in disagree-

ment (pp. 9473-9, 9419-20). This bill will now be sent to the President.

As finally passed the bill contains the following items in addition to USDA items which are shown on the table on p. 8: Disaster relief, $500,000, for use by the President; Displaced Persons Commission, $2,000,000; water-pollution control, Federal Works Agency, $75,000; National industrial reserve, Federal Works Agency, $5,000,000; Selective Service System, $25,000,000; Columbia Basin flood repair, Interior, $2,000,000; stockpiling of strategic and critical materials, Bureau of Federal Supply, $300,000,000; various amounts for judgments and claims.

The House insisted on its objection to a Senate amendment providing $35,000,000 for disaster relief, public facilities, by FWA, and the Senate receded from this amendment.

The provision regarding flour shipments under export control (Commerce Department) was amended to read as follows: "That no part of this appropriation may be used to enforce any regulation prohibiting the export of one-hundred-pound bags of flour as or in gift packages of any type or quantity."

Includes provision for the repeal of penalty mail provisions.

13. FEDERAL PAY BILL; POSTAL RATES. Both Houses agreed to the conference report on H.R. 6916, to provide for increases and revisions in postage rates, to provide pay increases for Post Office employees, and to provide for a $330 per year increase in the pay of other Federal employees. The bill also raises the $10,000 salary limitation for classified employees to $10,330 (pp. 9428, 9489-91). This bill will now be sent to the President.

14. COMMITTEES. Agreed to H.Res. 699, electing Rep. Wilson, Ind., to the Appropriations Committee. (p. 9492).

15. COMMENDATIONS. Several members spoke commending the work of retiring Reps. Dirksen, Ill., Flannagan, Va., and Johnson, Ill. (pp. 9492-3, 9493-5, 9502-3).

16. FARM LABOR. Passed with amendments S. 2767, to provide assistance by USES in the recruitment and distribution of foreign farm labor for work in the U.S. (pp. 9516-7).

17. HOUSING. Passed without amendment S. 2790, to amend the National Housing Act, so as to provide secondary markets for veterans' housing loans and for other purposes (pp. 9495-9500).

18. LIVESTOCK. Rep. Reeves, Mo., criticized activities of certain organizations which, he claimed, are trying to "convince the ECA to export 100,000 draft animals and livestock as part of the recovery program" (p. 9486).

19. TRANSPORTATION. Passed without amendment S.J.Res. 219, continuing until March 1, 1949, the authority of the Maritime Commission to make provision for certain ocean transportation service to, from, and within Alaska (pp. 9487-8). This measure will now be sent to the President.

20. LANDS. The Public Lands Committee reported with amendments H.R. 6697, to authorize the sale and grant to Los Angeles, Calif., of certain interests in public lands (H.Rept. 2429) (p. 9520).

21. ADJOURNMENT. Agreed to H.Con.Res. 218, providing for adjournment (p. 9520). See item 11.

BILL INTRODUCED

22. PERSONNEL. S. 2896, by Sen. Sparkman, Ala. (for himself and others), to establish

a Federal commission on services for the physically handicapped, and to define its duties. To Labor and Public Welfare Committee. (p. 9401.)

ITEMS IN APPENDIX

23. AGRICULTURAL COMMODITIES. Extension of remarks of Rep. Fisher, Tex., favoring the establishment of a revolving fund for the purchase of agricultural commodities to be processed in occupied areas and sold (pp. A4259-60).
Extension of remarks of Rep. Brooks, La., favoring the above bill (pp. A4279-80).

24. AGRICULTURAL APPROPRIATIONS. Sen. Brooks, Ill., inserted E. A. O'Neal's (American Farm Bureau Federation) letter commending accomplishments of the Subcommittee on agricultural appropriations (p.A4259).

25. PRICES. Rep. Lane, Mass., inserted his recent radio address, "Rising Prices--Public Enemy No. 1" (pp. A4257-8).
Rep. Havenner, Calif., inserted a Trainman News article on the effect of the military program on prices (pp. A4311-2).

26. FARM PROGRAM. Extension of remarks of Rep. Domengeaux, La., discussing his record on agricultural legislation (pp. A4266-72).
Rep. Bennett, Mo., inserted and discussed his voting record on farm legislation in the 80th Congress (pp. A4288-90).
Extension of remarks of Rep. Bennett, Mo., inserting and discussing endorsement of his record by farmers and their spokesmen (pp. A4302-4).
Sen. Umstead, N.C., inserted his recent radio address which included comments on the farm program (pp. A4360-2).

27. FOREIGN TRADE. Rep. Bloom, N.Y., inserted James A. Farley's recent address, "Selling Peace Through World Trade" (pp. A4247-8).
Rep. Goodwin, Mass., inserted a Malden (Mass.) Evening News editorial on extension of the Trade Agreements Act (p. A4295).
Rep. Love, W.Va., inserted a Wheeling (W.Va.) Intelligence editorial criticizing reciprocal trade agreements (p. A4341).

28. MINIMUM WAGES. Extension of remarks of Rep. Isacson, N.Y., explaining his bill to provide for a $1 per hour minimum wage, which "would remove the agricultural 'exemption' from the act except for bona fide farmers" (pp. A4261-2).

29. FEDERAL PAY INCREASES. Various remarks and insertions on pay increases for Federal employees (pp. A4275, A4293, A4323, A4331, A4345-6).

30. FOREIGN AID. Extension of remarks of Rep. Sanborn, Idaho, discussing "Aspects of the Marshall Plan" (pp. A4283-5).

31. HEALTH. Extension of remarks of Rep. Isacson, N.Y., in favor of a national health program (pp. A4291-3).

32. RURAL ELECTRIFICATION. Extension of remarks of Rep. D'Ewart, Mont., commending REA for its program in rural electrification and discussing appropriations for REA (pp. A4314-5).

32a. ROADS. Extension of remarks of Rep. McGregor, Ohio, favoring authorizations for farm-to-market roads (pp. A4324-6).

33. HOUSING. Rep. Byrne, N.Y., inserted a N.Y. Times editorial, "Housing: A Party

Test" (p.A4338).

Rep. Kennedy, Mass., inserted a N.Y. Herald Tribune editorial, "Housing and the Rules Committee" (p. A4344).

34. EDUCATION. Extension of remarks of Rep. Blatnik, Minn., in favor of Federal aid for education (p. A4339).

35. FLOOD RELIEF. Rep. Mack, Wash., inserted his statement before the Banking and Currency Committee favoring provision for flood disaster loans by RFC (p.A4358).

BILLS WHICH HAVE BECOME PUBLIC LAW

36. SUGAR PAYMENTS. H.R. 5174 authorizes and directs the Commodity Credit Corporation to make adjustment payments in the amount of $294,113.63 from corporation funds to three Puerto Rican producers and one Hawaiian producer on the 1945-6 crop Puerto Rican raw cane sugar and the 1946 crop Hawaiian raw cane sugar, respectively. Approved June 19 (Public Law 708, 80th Cong.).

37. NATIONAL FORESTS. S. 1037 extends the boundary of the Malad Unit of the Caribou National Forest, Idaho, for an average of slightly less than a mile; transfers to national forest status federally owned land (11,000 acres) within the area which comprises some 71,000 acres; and facilitates later transfers to national forest ownership, where needed, by making the lands subject to the Forest Exchange Act of 1922. Approved June 16 (Public Law 650, 80th Cong.).

38. SUPPLEMENTAL FEDERAL SECURITY APPROPRIATION ACT, 1949. H.R. 6355 transfers the United States Employment Service from the Labor Department to Federal Security Agency; provides funds for that Service, including grants to States for public employment offices; provides funds for the Bureau of Employment Security and various other agencies of the Federal Security Agency. Became law June 16 (Public Law 646, 80th Cong.).

39. TRANSPORTATION. S. 110 amends the Interstate Commerce Act so as to authorize rate agreements among carriers without regard to the anti-trust laws but subject to approval of the Interstate Commerce Commission. Became law June 17 (Public Law 662, 80th Cong.).

40. INSECT CONTROL; LIVESTOCK. S. 1249 authorizes USDA, independently or in cooperation with the States or local governments, to conduct additional research and investigations on the problems of eradicating cattle grubs and to undertake measures to eradicate these parasites. Approved June 16 (Public Law 651, 80th Cong.).

41. RECLAMATION. S. 1987 authorizes the Secretary of the Interior to construct the Preston Bench project, Idaho, in accordance with the Federal reclamation laws. Approved June 15 (Public Law 644, 80th Cong.).

42. AGRICULTURAL APPROPRIATION ACT, 1949. H.R. 5883. Approved June 19 (Public Law 712, 80th Cong.).

COMMITTEE HEARINGS Released by G.P.O.

43. AGRICULTURAL COMMODITIES. S. 2376, to provide a revolving fund for purchase of agricultural commodities to be processed in occupied areas and sold. House Armed Services Committee.

44. FERTILIZERS. 1948 Fertilizer Supplies. House Agriculture Committee.

inal category called for approximately $5,000,000.

Mr. SMITH. That is correct.

Mr. TAFT. While the plants included in the new category called for about $2,000,000 more. Under the act the Federal Works Administrator could buy all kinds of things, with no basis of allocation, except as the program proceeded one district got one amount and some other district another amount. That is one reason the program ought to be closed up and not be operated in such manner that a bureau can exercise such wide discretion.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SMITH. I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, it happens that I am one of the members of the conference committee which considered this particular bill. In going to the conference, I went with the full realization that my knowledge of the subject was extremely limited. There is one phase of it with which I was not entirely satisfied. As I see it, Mr. President, we have here a situation in which the bill applies to two things: First, to the maintenance of school facilities in local school agencies which are still overburdened with school enrollments caused by war activities and the transition from war to peacetime conditions. That is one category. The second category is not one in which there is to be a reactivation in the future, a building up of plants in the future, and a charge upon the Federal Government for the maintenance of school facilities where they are. The second category is one in which the facilities have already become overburdened with defense establishments, encouraging school enrollments as a result of the reactivation or expansion of any defense establishment or the operation of any new defense establishment. Here we have a number of school districts in which there has already been this activation, as it is termed in the bill. It is another way of saying the rebuilding or the reopening of these plants. We have in those particular communities the need to make up the various deficits which are listed in the committee report.

Mr. President, it seems to me that the wise course of precdure is for us to approve this conference report, but at some time, that is, between now and the meeting of the Eighty-first Congress, I think there should be made a careful, detailed study of this entire situation.

I may say that tonight, in the cenference committee's session, that course of action was determined upon, and it is contemplated that the staff of both the House committee and the Senate committee will, in the interim between now and the meeting of the Eighty-first Congress, make such investigation, so that in the future we may be better able to decide as to what we should do. I am in favor of the adoption of the conference report.

Mr. MAYBANK. Mr. President, I know it is 3 o'clock in the morning——

The PRESIDING OFFICER. Sunday morning.

Mr. MAYBANK. Yes, Sunday morning, and I recall that there used to be a song entitled "Three O'Clock in the Morning." I wish to say just a few words in thorough endorsement of the remarks of the Senator from Mississippi [Mr. STENNIS].

In my section of the country the authorities came to Charleston and built schools, and brought thousands of people to work in the navy yard and the ordnance plant. The schools needed Government aid, as they needed it from 1942 through 1947. While I do not intend to delay the Senate, because it is 3 o'clock in the morning, I hope the Senate will agree to the provisions that were placed in the bill by the House of Representatives, and vote down the other suggestions.

Mr. CONNALLY. Mr. President, I do not know about all the different projects, but I do know of one particular project in my own State which during the war was engaged in manufacturing airplanes under the direction of the Army. That plant now has been turned over to the Navy, is engaged in the same activity which occupied it during the war, and it is now going to manufacture jet planes, all for preparedness, along the lines of the legislation sponsored by the distinguished Senator from South Dakota [Mr. GURNEY]. Its work is still war work, it is not new, it is simply revived and going into this line.

In that school district the Government has acquired real estate on which formerly taxes were paid, and now the community does not receive a cent of taxes toward the support of the schools.

What is the result? The school district has levied taxes to the limit. They are limited by the constitution of my State as to the amount they can levy, but they have levied all they could. Some of the Senators say, let the State pay them, but it would take an amendment to the constitution, and that would require time and a meeting of the legislature. What are they to do with regard to the present school year? What are we going to do with the children of the people who work in those plants? I am not concerned with the places from which the children come. The Government needs their parents, the Government wants them, the Government tells them to come and engage in this war work, to manufacture planes for the defense of everybody in the United States, and they come and bring their children with them. Their children are entitled to an education, as every other child is.

I know that in the particular locality in my State to which I am referring the authorities are doing everything humanly possible. There has been no change in the status, except for short interruptions. The same war activity in which the plant was engaged while hostilities were going on is now being followed in preparing guns, renewing preparations so that if the need should come, our Government will be able to defend itself and resist the aggressor against the liberties of the United States.

I agree with the distinguished Senator from Missouri. This matter must be worked out along on the basis of a satisfactory plan between now and next year.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Missouri.

Mr. DONNELL. I emphasize the point which the Senator from Texas has made with respect to the necessity for taking time to do a thing like this. In that connection, I bring out the fact which was mentioned by the Senator from Ohio, that in the district where these plants exist the communities prosper and have much more in the way of receipts by reason of the fact that the plants are there. That may well be true, yet if the school district is supported by an ad valorem tax on real estate, and the real estate has been taken by the Government, it may be quite a problem to devise some other tax plan in view of the increased prosperity. I agree with the views stated by the Senator from Texas that we cannot work out this problem immediately. We are confronted with a situation in which we have already reactivated some of these plants, and we ought to take care of the educational needs of the children for this year.

Mr. CONNALLY. The school year will soon begin, and we cannot arrange for it instantly. It will take time to work out the formula and plan, I agree, but what are we going to do for the child who goes to school on the first of September? There is no school now. Some of the districts, it is said, will not be able, without the help here provided, to maintain the schools more than 4 or 5 months out of the entire year.

Mr. BALL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BALL. If the Senator has no objection to the Federal Government contributing to the support of schools in Texas, I wonder what his position would be if the Federal Government stepped into the State of Texas and told them that they must have no segregation in their public schools.

Mr. CONNALLY. I refuse to reply to that sort of an argument.

Mr. BALL. The Senator is all for State aid when it suits his purposes, but he does not want the States to take any responsibility.

Mr. CONNALLY. That is on a par with what those associated with the Senator from Minnesota have been doing before on this floor. I refuse to go into the question of segregation. The colored schools in my State get the same amount of money the white schools get, and we have recently appropriated $3,000,000 to provide a colored university in the city of Houston.

Mr. TAFT. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. TAFT. The Senator from Missouri suggests that it is hard to work out a system since communities cannot get the ad valorem taxes with which to provide the school districts with money. They can come to Congress and demand

the money and get it from here, but they do not go to the State legislature, they do not go to Austin, Tex., and ask the State of Texas for the money. It is just as easy for them to work this out by revenues from the State as it is to work it out by revenues from Washington and the Congress of the United States.

Mr. CONNALLY. The Senator from Ohio knows that this matter cannot be taken care of instantly. The new school year is approaching. Something has to be done to take care of the children in the coming school year. I do not fear having a plan worked out, a long-range plan, and the establishing of some standard, but I do think we now face an emergency which we should meet courageously and firmly, and I appeal to Senators to vote for the adoption of the conference report.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CORDON. I call the attention of the Senate to the fact that the conference report which was just approved on the deficiency appropriation bill, carries an appropriation for this purpose. That appropriation is predicated upon the passage of this measure, which is the basis of authorization for that appropriation, because it continues this type of authorization for another year.

I am not entering into the argument as to whether the base for payments of taxes should be broadened to take in future Government plants or not. That portion of the bill which has to do with the existing status of things, however, is the portion for which appropriation has been made, and this report should be adopted, because it is the basis for the appropriation itself.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

REPORTS OF CONFEREES—STATEMENT BY PRESIDING OFFICER

The PRESIDING OFFICER. Before turning to the next order of business, in line with the ruling of the Chair made in order to expedite the business of the Senate a short time ago, the Chair would like to read a very short paragraph from Senate rule XXVII, dealing with the reports of conferees. It deals with the presentation of such reports. I read paragraph 1 as follows:

> The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

In this connection the Chair observes that when the request was made to consider a conference report while another was in order the Chair was in error because he did not put the question, but he could see no purpose in doing so under the circumstances.

Mr. RUSSELL. I merely wish to state that there was no difference between my position and that of the Chair, expressed in the reading of the rule. I recognize, of course, that on a motion to proceed immediately another conference report was in order, but I understood the Chair had by a ruling indicated that he could select one report over another.

The PRESIDING OFFICER. The Chair's position is that one report could supersede another unless a question was raised. The Chair did not put the question to a vote because he was trying to expedite business.

INCREASE IN COMPENSATION FOR POSTAL AND OTHER GOVERNMENT WORKERS—CONFERENCE REPORT

Mr. FLANDERS. I submit a conference report on House bill 6916, to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read for the information of the Senate.

The report was read.

(For conference report see House proceedings of today's RECORD.)

INCORPORATION OF THE VIRGIN ISLANDS CORPORATION

Mr. BUTLER. I submit a conference report on House bill 5904, to incorporate the Virgin Islands Corporation, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The conference report was read, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5904) to incorporate the Virgin Islands Corporation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.
>
> That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.
>
> HUGH BUTLER,
> CARL A. HATCH,
> GUY CORDON,
> *Managers on the Part of the Senate.*
>
> F. L. CRAWFORD,
> K. M. LECOMPTE,
> JAY FEFEVRE,
> A. M. FERNANDEZ,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

STIMULATION OF PRODUCTION AND CONSERVATION OF STRATEGIC AND CRITICAL ORES, METALS, AND MINERALS

The PRESIDING OFFICER. The Chair calls the attention of the Senate to the fact that the pending question is the motion of the Senator from Nebraska [Mr. WHERRY] to consider Senate bill 2756.

Mr. WHERRY. I should like to suggest that there are other conference reports to be considered. It is hoped that they can be considered in a comparatively short time. I hope the Senate will be patient.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. I understand, in the first place, because of the long continuous session, that the reporters are having a very difficult time to keep up with the proceedings.

There are two matters of importance with which the Senate should deal, and only two that are essential, before the Senate adjourns. The first is the so-called Jenner bill (S. 2790), which is in the House, which deals with the secondary market for GI loans. The House is acting on an amendment to that bill, which it is expected will be returned to the Senate shortly, and I hope the Senate will concur in the House amendment.

The bill dealing with the long-range agricultural program is in conference. The conferees are meeting again for about the third time. There is some hope of their reaching an agreement. I was just in the conference. I think agreement on that measure may take some little time, but there is a hope of an agreement being reached. The bill deals with a matter of prime importance. So we would like to ask the Senate to remain in session, but I think it might be desirable that the Senate take a recess for 15 or 20 minutes at least and let the reporters catch up.

Mr. WHERRY. The Senator from Ohio has made the statement I had intended to make, so it is unnecessary for me to make it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. I wish to make a very brief comment on the situation and the spectacle which the Senate is presenting. I have been here a good many years, but I have never seen any session of this body come to a conclusion or approach a conclusion with such utter chaos, confusion, and impotence as we observe here now. It is now nearly 4 o'clock on Sunday morning, after 41 hours of confused session. We do not know what we are going to act upon yet before we adjourn. I am willing to stay here all night tonight, and all night tomorrow if we can get through.

We have been tossed back and forth between promises that conference reports will be presented. We have been told that conferees on various measures would soon be ready to report. The conferees have met and held sessions, which have been broken up and collapsed. Then we are apparently on the verge of doing something, but we find that a report is not ready. Then someone rushes in and announces that if we wait a few more minutes there will be something for us to do. In one room there is a committee which is attempting to give birth to a farm bill. In a room at the other end of the Capitol, in

into this country for American customers and so thoroughly saturated the demand for watches that no backlog of demand, after the war, to rebuild the industry, could be anticipated.

For these reasons the watch industry has, for several years, without success, been trying to obtain relief from the reduced rates of the trade agreement.

Finally, in 1946, the State Department called the representatives of the industry to Washington and suggested a course of action. The State Department proposed that the Swiss be asked to impose an export quota on the direct shipment of watches to this country from January 1, 1946, to March 31, 1947. This export quota for the year 1946 was to be based on the direct exports to the United States by Switzerland during 1945, the biggest year, up to that time, in the history of Swiss watch exports to the United States. The Swiss were also to do what they could to curtail indirect shipments so as to prevent the quota being exceeded by importers obtaining watches by way of third countries. They were also to expedite the delivery of watch-making machinery which the American industry, principally Waltham, then had on order with Swiss machine builders to replace that which could not be made during the war. Although the obvious ineffectualness of this proposal was protested, the State Department went ahead with it in an exchange of notes under date of April 22, 1946.

The figure agreed to with the Swiss provided no protection for the American companies. The significant thing about all of this maneuvering, however, is that there was a recognition by the trade-agreements organization that the American industry had a good case. The State Department, after 2 years of delay, felt that something had to be done to dispose of the matter, but were unwilling to take direct, effectual action.

As for Swiss compliance with the agreement of the exchange of notes, suffice it to say that 1946 imports exceeded 1945 by over 300,000 jeweled units, although the Tariff Commission, has, by making certain deductions and the use of Swiss classifications, decided that there was compliance with the spirit, if not the letter of the agreement. No one has been able to even technically justify the refusal by the Swiss to deliver the machinery, which has not been done to this day. Instead of expediting delivery, as agreed, the ink was no sooner dry on the notes which were exchanged than the Swiss created a machinery trust known as Machor, to lease the machinery, on terms wholly unacceptable to the American industry.

In December of 1946, by which time it had become apparent that the export quota established by the Swiss, pursuant to the exchange of notes, had afforded no protection to the American industry, the State Department was asked to consider extending the agreement from March 31, 1947, to the end of the year, but on a more realistic basis as to quota. This they flatly refused to do. The State Department was then asked to consider canceling the trade agreement so as to restore the 1930 tariff rates; this they also refused to do. The State Department, under the reciprocal trade-agreements program, is treating this American industry as a static force in a dynamic economy, and, unless we accomplish a reversal of this kind of treatment, we are going to see this important American industry sustain irreparable damage.

What the American watch-manufacturing industry needs is an equality of opportunity in their own market. They are not seeking an unfair advantage, only a balancing of factors over which they have no control, so that a natural growth can be promoted, which is absolutely essential if this industry is to be adequate to the defense of the Nation in times of war, and a preventive to monopoly control during times of peace.

In considering measures to protect and preserve the American jeweled-watch industry, we are not hurting commodities and industrial products that war-torn countries are using to rebuild their export markets. We are not discriminating against the Marshall plan countries. We are dealing with one nation only—Switzerland.

Our State Department has continually ignored the legitimate complaints of the industry that reduction in tariff duties on watch movements and parts, under the Swiss trade agreements, has resulted in almost complete usurpation of the American market by Swiss competition. The State Department has also proved itself unable or unwilling to get this industry desperately needed machinery replacements from Switzerland and has turned a deaf ear to all pleas for establishment of a quota upon the importation of watch movements from Switzerland.

Congress scientifically established in 1930 Tariff Act rates of duty upon imported watches which enable the American watch industry to expand with the growth in consumer demand for watches. But the State Department has misconstrued congressional purpose until today highly skilled American watch makers are in danger of finding their craftsmanship an unsalable item, and America may well lose a vital factor in national defense.

The American watch industry wants no Government subsidy to compete with Swiss watches in the domestic market. It asks, and rightfully should have, the benefit of adequate tariff protection if it is to continue to maintain its highly skilled ranks of workers.

I submit that the jeweled-watch industry of the United States is of primary national concern because, in this atomic age, its precision-instrument production is a key point in our national security system. I urge you, my colleagues, to exert every individual and collective effort to afford this vital industry the fair treatment it deserves by granting reasonable tariff protection and by calling upon the State Department to cease and desist its discriminatory tactics.

I am again urging the State Department to review and adjust these oppressive discriminatory rates which are threatening to extinguish not only the great watch-making industry of our Nation—an industry which has loaned invaluable service to our country in wartime. It is of the utmost importance that the faithful workers and the enterprising management of this great industry should receive the consideration of this Government it is entitled to, if it is to survive.

OCEAN TRANSPORTATION SERVICE TO AND WITHIN ALASKA

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 219, continuing until March 1, 1949, the authority of the United States Maritime Commission to make provision for certain ocean transportation service to, from, and within Alaska.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There being no objection the Clerk read the bill as follows:

Resolved, etc., That the joint resolution of March 7, 1947, entitled "Joint resolution to authorize the United States Maritime Commission to make provision for certain ocean transportation service to and from Alaska until July 1, 1948, and for other purposes," is amended to read as follows: "That it is the intention of the Congress to assist in providing essential water transportation service for the Territory of Alaska pending the determination of a long-range policy with respect to such transportation.

"SEC. 2. (a) The United States Maritime Commission is authorized to enter into contracts, charters, and other arrangements deemed by it to be appropriate, with American citizens, deemed by the Commission to be qualified, to supply ocean transportation service with American-flag vessels to, from, and within Alaska. Such contracts, charters, or arrangements may include provisions for making available to such operators Government-owned vessels made available to the Commission for such purposes and vessels under the control or jurisdiction of the Commission for operation on voyages commencing not later than March 1, 1949. Such provisions may include (1) charter hire at a nominal rate; (2) such marine insurance to be provided by the Commission, as the Commission may determine to be necessary or appropriate as to vessels made available by the Commission and other vessels operated in the Alaska service under contracts, charters, or arrangements with the Commission; (3) requirements that the operators shall operate such vessels to secure the most economical transportation adequate for the Alaska service; and (4) such other requirements, terms, and conditions as the Commission may deem appropriate.

"(b) Each such contract, charter, or arrangement shall provide that, as of the end of each accounting period, the cumulative gross profit, before overhead expenses, from the operation of vessels thereunder, as approved by the Commission, shall be allocated as follows and in the following order:

"(1) To provide for the operator's proportionate share of the expenses of all operators of maintaining a survey of Alaska ocean transportation services and of the costs and methods of operation of operators in said services, in accordance with a program approved by the Commission;

"(2) To allow compensation to the operator for working capital, use of facilities other than operator-owned vessels, and overhead expenses, on such bases as the Commission may determine; and such bases may be fixed in terms of a percentage or percentages, deemed by the Commission to be reasonable, of vessel operating revenues;

"(3) To allow the operator a return at the rate of 10 percent per annum, before Federal income taxes, on the fair value of operator-owned vessels used in the Alaska service;

"(4) Any profit remaining thereafter, at the conclusion of each accounting period, shall be held in a special account. At the end of the second and each succeeding accounting period, if any, such account shall be available for paying any then cumulative deficiency (covering the period from the commencement of operations hereunder) with respect to any amounts which, if earned, would have theretofore been allocated pursuant to the previous paragraphs of this subsection;

"(5) At the conclusion of operations under any such contract, charter, or other arrangement, any balance in said special account shall be promptly divided and paid 75 percent to the Commission and 25 percent to the operator.

"(c) The Commission may incorporate in each such contract, charter, or arrangement such definitions and formulas for the determinations of vessel-operating revenue, gross profit before overhead expenses, overhead expenses, accounting periods, fair value, and depreciation, as it may deem necessary or appropriate to carry out the other provisions of this subsection and of this joint resolution. The Commission's determination of the value of operator-owned vessels, for the purposes of such contract, charter, or other arrangement, shall be for the purposes of this joint resolution only and shall not be relevant evidence in any regulatory proceeding before the Commission.

"SEC. 3. (a) Every contract, charter, or arrangement made under this joint resolution shall expressly reserve to the Commission, after reasonable notice to the operator and affording him opportunity for hearing if the Commission determines that it is in the public interest so to do, the right to cancel the same upon reasonable notice of such cancellation but not less than 90 days. Such contract, charter, or arrangement shall also reserve to the operator the right to request the Commission to modify or cancel the same for good cause shown, and if the Commission shall determine that the operator's claim is justified, it may make such modification or shall permit such cancellation at such time thereafter as it may consider reasonable but not more than 90 days after such determination.

"(b) Whenever the President shall proclaim that the security of the national defense makes it advisable, or during any national emergency declared by proclamation of the President, the Commission may terminate any contract, charter, or arrangement hereunder, without cost to the United States, upon such notice to the operator as the President shall determine.

"(c) Nothing contained in this joint resolution shall be construed to limit the right of the Commission to enter into other contracts, charters, or arrangements with new or other operators, if after such notice, investigation, or consultation as the Commission may deem necessary or appropriate in the particular case, but without the necessity of hearings, the Commission shall determine such action to be in the interest of the economy of the Territory of Alaska or of the national defense.

"SEC. 4. The word 'vessels' as used in the joint resolution shall include such passenger vessels, freight vessels, combination freight and passenger vessels, tugs, barges, and other watercraft, as shall, in the discretion of the Commission, be deemed suitable for use in ocean transportation to, from, and within Alaska.

"SEC. 5. The provisions of this joint resolution, as amended, shall not, prior to July 1, 1948, affect the operation of contracts, charters, or other arrangements in accordance with their terms in effect on the date of enactment of this amendatory section, unless superseded before July 1, 1948, by contracts, charters, or arrangements entered into under this joint resolution, as amended."

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Thereupon (at 1 o'clock and 55 minutes a. m.) the House stood in recess subject to the call of the Chair.

PENSACOLA NATIONAL MONUMENT

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3416) to provide for the establishment of the Pensacola National Monument, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 3 and 4, strike out "and directed to acquire on" and insert "to receive on."

Page 1, lines 4 and 5, strike out "by transfer, gift, purchase, condemnation, or otherwise."

Page 1, line 8, strike out "War Department" and insert "Department of the Army."

Page 1, line 9, after "Department", insert "and transferred in accordance with existing law."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

VIRGIN ISLANDS

Mr. CRAWFORD submitted the following conference report and statement on the bill (H. R. 5904) to incorporate the Virgin Islands Corporation and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5904) making provision for the continuation of the Virgin Islands Company until June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

F. L. CRAWFORD,
K. M. LECOMPTE,
JAY LEFEVRE,
A. M. FERNANDEZ,
Managers on the Part of the House.

HUGH BUTLER,
CARL A. HATCH,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5904) making provision for the continuation of the Virgin Islands Company until June 30, 1949, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely: The Senate struck out all after the enacting clause of the House bill and substituted the following:

"That, notwithstanding any other provision of law, the Virgin Islands Company shall continue as an agency of the United States until the close of business June 30, 1949. It is authorized to borrow from the Treasury of the United States, and the Secretary of the Treasury shall loan to it upon the request of its president, such sums as may be required to carry out its operations until such date, not exceeding in the aggregate $500,000. Each loan shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the loan."

Amend the title so as to read: "A bill to continue the Virgin Islands Company as an agency of the United States."

The House recedes.

FRED L. CRAWFORD.
K. M. LECOMPTE.
JAY LEFEVRE.
A. FERNANDEZ.

Mr. CRAWFORD. Mr. Speaker, I call up the conference report on the bill (H. R. 5904) to incorporate the Virgin Islands Corporation, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was granted permission to extend his remarks in the RECORD and include a letter.

ADDITIONAL COMPENSATION FOR POSTAL EMPLOYEES

Mr. REES, from the Committee on Post Office and Civil Service, submitted the following conference report and statement on the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this act shall be cited as the "Postal Rate Revision and Federal Employees Salary Act of 1948".

"TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT

"SEC. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: *Provided*, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further*, That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

"SEC. 102. The provisions of this Act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

"SEC. 103. (a) Sections 17 (e) and 22 (d) of such Act of July 6, 1945, as amended, are each amended by striking out '6 cents per mile' and inserting in lieu thereof '7 cents per mile.'

"(b) Section 22 (d) of such Act of July 6, 1945, as amended, is further amended by striking out '75 cents' and inserting in lieu thereof '90 cents.'

"(c) The Act entitled 'An Act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of two years, and for other purposes' (Public Law 467, Eightieth Congress), is hereby repealed.

"SEC. 104. This title shall take effect on the first day of the first pay period which begins after June 30, 1948.

"TITLE II—POSTAL RATE REVISION

"AIR MAIL

"SEC. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall, except in the case of postal cards and private mailing or post cards, be 6 cents for each ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled 'An Act to amend the postal laws relating to use of postal cards', approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

"THIRD-CLASS MAIL

"SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 1½ cents for each two ounces or fraction thereof: *Provided*, That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing troughout shall be subject to a minimum charge of 3 cents each.

"CONTROLLED CIRCULATION PUBLICATIONS

"SEC. 203. Publications containing twenty-four pages or more issued at regular intervals of four or more times a year, 25 per centum or more of whose pages are devoted to text or reading matter and not more than 75 per centum to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: *Provided*, That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essential for the advancement of the main business or calling of those who own or control them shall not be accepted under this section.

"FOURTH-CLASS (PARCEL POST) MAIL

"SEC. 204. (a) On fourth-class matter (limit of weight over eight ounces to seventy pounds) the rate of postage except as herein provided for catalogs (limit of weight over eight ounces up to and including ten pounds), books, and library books, shall be by the pound as hereinafter provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

"(b) The rate of postage on matter of the fourth class shall be as follows:

"(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof, 1 cent for each additional pound or fraction thereof up to and including ten pounds, and ¾ cent for each pound or fraction thereof exceeding ten pounds.

"(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2⅒ cents for each additional pound or fraction thereof up to and including ten pounds, and 2 cents for each pound or fraction thereof exceeding ten pounds.

"(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including ten pounds, and 2⅘ cents for each pound or fraction thereof exceeding ten pounds.

"(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including ten pounds, and 4¼ cents for each pound or fraction thereof exceeding ten pounds.

"(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5½ cents for each pound or fraction thereof exceeding ten pounds.

"(6) For delivery within the sixth zone, 16 cents for the first pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including ten pounds, and 7¼ cents for each pound or fraction thereof exceeding ten pounds.

"(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, 9½ cents for each additional pound or fraction thereof up to and including ten pounds, and 9¼ cents for each pound or fraction thereof exceeding ten pounds.

"(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including ten pounds, and 11¼ cents for each pound or fraction thereof exceeding ten pounds.

"(9) On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

"(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

"(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 7½ cents for the first pound or fraction thereof and 1 cent for each additional pound.

"(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

"(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

"(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

"(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

"(6) For delivery within the sixth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

"(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

"(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

"(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding seventy pounds in weight, may be sent at the postage rate of

8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

"(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organizations, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: *Provided,* that this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

"(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, 15 cents; matter weighing more than two but not more than ten pounds, 20 cents; matter weighing more than ten pounds, 25 cents: *Provided,* That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equivalent value may be accepted in lieu of the special-handling stamps herein specified.

"SPECIAL DELIVERY

"SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents: *Provided,* That, under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

"MONEY ORDERS

"SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows: For orders less than $5 and 1 cent, 10 cents; for orders from $5 and 1 cent up to and including $10, 15 cents; for orders from $10 and 1 cent up to and including $50, 25 cents; for orders from $50 and 1 cent up to and including $100, 35 cents.

"POSTAL NOTES

"SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for issuance thereof shall be 8 cents each.

"(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue, but thereafter may be paid by the Postmaster General, or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: *Provided,* That no claim for the amount of a postal note will be considered unless filed within one year from the last day of the month of issue. Postal notes shall not be negotiable or transferable through endorsement.

"REGISTERED MAIL

"SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry indemnity exceeding $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemnity exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $800, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

"(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $600, 7 cents; by more than $600 but not more than $800, 8 cents; by more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

"(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (known as 'surcharges') as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more, the additional fee for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 8 cents; for delivery within the second zone, 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

"(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

"RETURN RECEIPTS FOR REGISTERED MAIL

"SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided,* That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

"FEES FOR INSURED MAIL

"SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50 but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided,* That upon payment of the additional sum of 26 cents at the time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further,* That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

"FEES FOR COLLECT-ON-DELIVERY MAIL

"SEC. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not

exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceeding $200. The fee for notifying the sender or his representative of inability to deliver a collect-on-delivery article shall be 5 cents.

"RESTRICTION IN DELIVERY

"SEC. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided*, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or nondelivery of the article or articles was due to some fault of the postal service.

"REGISTERED COLLECT-ON-DELIVERY MAIL

"SEC. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.

"(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.

"SEC. 214. This title shall take effect on January 1, 1949.

"TITLE III—FEDERAL EMPLOYEES PAY INCREASES

"SEC. 301. Except as provided in section 303, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees Pay Act of 1946 shall receive additional compensation at the rate of $330 per annum: *Provided*, That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 20 cents per hour.

"SEC. 302. The additional compensation provided by this Act in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an 'equivalent increase' in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

"SEC. 303. (a) Section 603 (b) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out '$10,000' where it first appears in such section and inserting in lieu thereof '$10,330'.

"(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out '$10,000' and inserting in lieu thereof "$10,330'.

"(c) No officer or employee shall, by reason of any provision of this title be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $10,330 per annum.

"SEC. 304. The provisions of this Act granting an increase in compensation to employees of the United States and of the District of Columbia shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

"SEC. 305. This title shall take effect on the first day of the first pay period which begins after June 30, 1948."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows: In lieu of the amended title proposed by the Senate amendment, amend the title so as to read: "An Act to provide for permanent postal rates and to provide pay increases for Government employees."

EDWARD H. REES,
WM. H. STEVENSON,
C. W. VURSELL,
TOM MURRAY,
JOHN LYLE,
Managers on the Part of the House.

WILLIAM LANGER,
RALPH E. FLANDERS,
RAYMOND E. BALDWIN,
OLIN D. JOHNSTON,
HERBERT R. O'CONOR,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6916) to provide for permanent postal rates and additional compensation for postmasters and employees of the field service in the Post Office Department submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and inserted a substitute which provided for increases in pay of postal employees, and for revision of the classification schedules of the Classification Act of 1923, as amended, and for increased pay for Federal employees other than postal employees. The Senate amendment did not provide for postal rate revision. The substitute agreed to in conference follows closely the House bill except as explained below.

With respect to additional compensation for postal employees, title I of the conference substitute is the same as the House bill except that by inclusion of provisions from the Senate amendment the additional 1 cent per mile equipment allowance for rural carriers provided by Public Law 467, Eightieth Congress has been made permanent, and the equipment allowance for special delivery messengers has been increased from 75 cents per hour to 90 cents per hour. The increases provided in the Senate amendment were eight cents and one dollar, respectively. The increases provided by this title are made effective beginning with the first pay period following June 30, 1948.

The provisions of the Senate amendment relating to the revision of the compensation schedules of the Classification Act of 1923 have not been included in the conference substitute but there are included provisions substantially similar to H. R. 6917 as reported to the House. There are, however, the following differences from H. R. 6917: It is provided that each officer and employee whose rate of compensation is increased by section 2, 3, 4, 5, or 6 of the Federal Employees Pay Act of 1946 shall receive additional compensation at the rate of $330 per annum. This title of the conference substitute also raises the present ceiling on salaries from $10,000 per annum to $10,330 per annum. It is provided that the increases in compensation shall take effect beginning with the first pay period following June 30, 1948. The provision of H. R. 6917 which provided that these increases should continue only until July 1, 1949, is not included in the conference substitute.

The conference substitute contains the provisions of title II of the House bill, relating to postal rate revision, without change except that the changes in postal rates provided for are to be effective beginning January 1, 1949.

The conference substitute includes a provision, taken from the Senate amendment, providing that the pay increase provided for shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

The committee of conference recommends a modification of the title of the bill to conform to the provisions of the bill as agreed to in conference.

EDWARD H. REES,
WM. H. STEVENSON,
C. W. VURSELL,
TOM MURRAY,
JOHN LYLE,
Managers on the Part of the House.

Mr. REES. Mr. Speaker, I call up the conference report on the bill, H. R. 6916, and ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THE FEDERAL PAY RAISE

Mr. KEFAUVER. Mr. Speaker, those of us who have recognized the need for a wage increase for Federal employees and who have fought for such legislation were greatly heartened by the action taken by the Congress today.

It is unthinkable that we should forget our Federal employees at a time when there have been so many increases in the cost of living. Many of this group, often referred to as the white collar workers, entered the Federal service when the Government appealed for workers in connection with various Government bureaus and departments having to do with our war effort. These people responded to the call and many of them sacrificed their jobs in private industry, which are lost to them now, in order to aid their country in time of war. Now it is our duty to aid them in time of peace.

Every problem which faces the postal worker, for whom both the House and Senate have passed salary increases, also faces all other Federal employees. It would have been a gross discrimination to provide a pay raise for one group and to completely ignore the needs of the other.

We have generally recognized the great importance of maintaining not only high

employment but also high consumption in order to stimulate the recovery of production and distribution of consumer goods of all kinds. For this reason too we must take care to see that the substantial number of workers who are employed by the Federal Government are able to maintain their share of the high consumption necessary if we are to enjoy business prosperity and a high standard of living.

I know that the postal employees are entitled to the $450 raise they have received. I am glad other Federal employees have at least gotten the $330 annual raise provided for in the conference report. Both amounts should have been larger to bring their income up to 1948 living costs. However, the increases provided will help greatly.

RESIGNATION FROM CONFERENCE COMMITTEE ON AGRICULTURE BILL

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to resign as a conferee on the bill, H. R. 2648, an act to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities, to amend section 22 of the Agricultural Adjustment Act re-enacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes.

The SPEAKER. Without objection, the gentleman's resignation will be accepted.

There was no objection.

APPOINTMENT OF CONFEREE ON AGRICULTURE BILL

The SPEAKER. The Chair appoints the gentleman from Indiana [Mr. GILLIE] to serve in place of the gentleman from Wisconsin [Mr. MURRAY] on the bill, H. R. 2648, an act to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities, to amend section 22 of the Agricultural Adjustment Act reenacted by the Agricultural Marketing Agreement Act of 1937, and for other purposes.

The Clerk will notify the Senate of the change.

EXTENSION OF REMARKS

Mr. KEEFE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication which was read by the Clerk:

JUNE 19, 1948.

The Honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on Public Works of the House of Representatives.

Respectfully,

EARL WILSON.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT TO COMMITTEE

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 699):

The Clerk read as follows:

Resolved, That EARL WILSON, of Indiana, be and he is hereby elected a member of the Standing Committee of the House of Representatives on Appropriations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE HONORABLE JOHN W. FLANNAGAN, JR.

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, it is with deep regret that I have to announce that my colleague and friend JOHN FLANNAGAN, of the Ninth District of Virginia, has announced that he will retire from the Congress at the close of this session.

As this is the last occasion upon which the House will meet this session I think it only proper that I should announce this fact to the House. The gentleman from Virginia [Mr. FLANNAGAN] has served here for 18 years with distinction and honor and has endeared himself not only to the Virginia delegation but to the Members generally of this Congress and previous Congresses. For many years he has served upon the Committee on Agriculture, and during the Seventy-ninth Congress he was the chairman of that committee. He has rendered great service to the farming industry of this country.

The gentleman from Virginia [Mr. FLANNAGAN is the author of much legislation. He has a record here of liberal, forward-looking progressiveness; and I know this House and the Nation will regret his leaving this body when this session ends.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. McCORMACK. The gentleman from Virginia, JOHN FLANNAGAN, enjoys the respect, the confidence, and the friendship of everyone who has served with him; a man whose nobility of character is an inspiration to all of us. I consider him without exception the most courageous man that I have ever served with in any legislative body. Coming from the district he does, with that forward outlook of his, it took indomitable courage for him to vote the way he did on many occasions; and I consider him as I have termed him in the past to many friends of mine, and I am proud to publicly state it now, as the most courageous man I have ever served with in public life.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Speaker, no one in the House of Representatives could regret the tirement of the gentleman from Virginia, JOHN FLANNAGAN, more than I do. He has been my intimate personal friend and supporter for many years. He is a man of courage, he is a man of vision. He may be classed as a real, sensible liberal.

I trust that for him and his their path in the years that are allotted to them, may lie through green fields and by still waters.

Mr. SMITH of Virginia. I thank the gentleman.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. May I say to the gentleman that I have had the pleasure and the honor of serving with the gentleman from Virginia [Mr. FLANNAGAN] ever since I have been a Member of Congress. As chairman of the Committee on Agriculture, no man could be any more fair. His word is just as good as his bond. The gentleman from Virginia, JOHN FLANNAGAN, is one of the great friends any man ever had.

[Mr. GARY addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Virginia.

Mr. HARDY. Although the gentleman from Virginia, JOHN FLANNAGAN was elected by the people of the Ninth District of Virginia he has represented not only the people of his district, not only the citizens of the great Commonwealth of Virginia but he has been truly a representive of the people of the United States. The farm people in particular throughout this Nation and going to miss him from the Congress. I have enjoyed my service with him not only as a colleague in the House of Reprensentatives but as a friend. I really feel that my life has been greatly enriched by this brief association with him.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Georgia.

Mr. PACE. It has been my high privilege to serve with the gentleman from Virginia, JOHN FLANNAGAN, for 10 years as a Member of the House Committee on Agriculture. Certainly there is no man who has a better understanding of our agricultural problems and is more devoted to the welfare of those who till the soil than JOHN FLANNAGAN. We all regret seeing him go and wish him many happy years of comfort and contentment at home.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. LYNCH. I think that the gentleman from Virginia [Mr. FLANNAGAN] is one of the outstanding Members of this House. I have consulted him on many occasions in regard to legislation and with reference to other matters. Although I am not a member of the Committee on Agriculture, I found him one of the most liberal members of the Democratic Party. Now, that to my mind means something when you consider the fact that the gentleman from Virginia [Mr. FLANNAGAN] is not, like myself, one of those Democrats from north of the Mason-Dixon line. But he has a broad concept. He has demonstrated time after time his courage insofar as legislation is concerned. I sencerely say that I

while Argentina and the Dominican Republic are represented by ambassadors. Certainly, this is enough evidence to show a new orientation is being displayed in important areas of the Western Hemisphere.

In the light of this undeniable trend, Mr. Kennedy's final paragraph has special significance. He writes as follows:

"While Spanish observers are optimistic that the United Nations will fall into line soon and send an ambassador, embassy officials see this as impossible as long as the 1946 resolution of the United Nations holds good."

Obviously, the first "United Nations," mentioned here, was meant to be the United States.

Much more important, however, is the "unofficial" opinion of United States embassy officials in Madrid to the effect that a "1946 United Nations resolution" prohibits the United States, or any other member state, from resuming full diplomatic relations with a nation which, according to Ambassador Carlton J. H. Hayes, accorded us loyal, valuable cooperation in World War II.

To be sure, a 1946 United Nations resolution required "the recall of the chiefs of diplomatic missions from Madrid."

What our correspondent fails to mention, however, is that the same resolution was placed before the United Nations in 1947; and was not approved. The United Nations rules require a two-thirds vote to pass a resolution. Although such a margin was obtained in 1946, it was unattainable in 1947. Inasmuch as the resolution was not renewed, it cannot now be in effect. That explains why Argentina, the Dominican Republic, Bolivia, and El Salvador or actually represented by "Chiefs of diplomatic missions" in Madrid, while a number of the other Republics are giving serious thought to the advisability of similar representation.

Furthermore, it is a matter of record that the United States was one of the countries which in 1947 not only opposed, but also voted against, the resolution recalling the Chiefs of diplomatic missions from Madrid.

Consequently, it should be clear that there is no legal provision which would control the freedom of action which every nation enjoys under international law, and according to the United Nations charter, to accredit envoys in Madrid. With respect to the United States, it may be borne in mind that, since April 1939, Spain has been recognized as the de facto and de jure Government of the Spanish people.

At a time, therefore, when the United States maintains ambassadors in the Union of Soviet Socialist Republics, in Soviet-dominated Poland, in totalitarian Yugoslavia, and in raped Czechoslovakia, it is to strain at a gnat and swallow a camel to pretend that peace-loving states may not continue friendly relations with the de facto and de jure Government of Spain.

Pay of Federal Employees

EXTENSION OF REMARKS
OF
HON. J. GLENN BEALL
OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 17, 1948

Mr. BEALL. Mr. Speaker, I ask unanimous consent to have inserted in the RECORD a letter I received from a constituent, the wife of a Federal worker. The writer asked that her identity be kept confidential so I have omitted the signature.

JUNE 10, 1948.

Hon. JAMES GLENN BEALL,
House of Representatives,
Washington, D. C.

DEAR MR. BEALL: I am writing this letter to you in the hope that you will read this letter to the members of the Congress or convey my message in the best manner possible to impress them with the realization that poverty, almost impossible to reconcile with the American way of life, exists right here, under their very noses. As an example, take our own case:

My husband is a Federal employee, holding a responsible position and drawing a salary that was considered good before the value of a dollar was reduced to 30 cents. We have five small children, and in order to merely feed, clothe, and house our family it has been necessary for the past 2 or 3 years to "scrape up" out of thin air more money than comes in. There are no savings, therefore this is how we have "existed" for the last few years. First we sold our radio-phonograph that we dearly loved and enjoyed but considered a "luxury". Now we have no radio at all. A few months later, when the going was tough, we had to sell our bedroom rug. A few months later, our living room rug. Last winter when there was no coal and our house went down to zero and there was no money for coal, I was forced to sell the antique bedsteads (that I greatly prized) out from under our children. Now they sleep on their mattresses and box-springs without benefit of the bedsteads. Last winter my husband was very ill, or he would have probably obtained a small additional job like he has done many times before in order to make ends meet. Many times we were without groceries and each time I would have to sell something else. Little by little, but oh, so steadily, our possessions have been sacrificed in order that we might feed our children and pay our bills. But the antiques couldn't last forever, so what then?

This is what. Although I do all my own work (except for my husband's help) and have an infant, I, the mother of five small children, had to take a job. I would like the Members of Congress to close their eyes a moment and picture what it would mean for their wives to get up in the morning, pack three school lunches, make breakfast and get three children off to school, dress a smaller child to drop him at a neighbor's house and then begin the day's work at an office. Then in the evening to come home and wash breakfast dishes, make dinner, run through a wash, hear lessons, mend, iron, wash supper dishes and fall into bed exhausted. I would like the Members of Congress to imagine themselves leading such an existence. But over and above the physical hardship of being overworked, my husband and I have the added grief of not having our baby with us. We haven't had him for several months because it is necessary for his grandmother to take care of him in her home while I work.

We do not ask for a luxury wage—only a living wage. We have not had a vacation in years. I have not bought one piece of wearing apparel (and I can verify this) except hose for five years. (Since I was employed in 1943.) Five years of hand-me-downs is a long time. As for clothing for the children, I have to submit myself to the humiliation of going into private homes and buying their children's cast-offs.

This is our case (and I would be only too glad to have the circumstances under which we are living investigated for verification if our identity could remain confidential). But our case is not unique. In talking with families of other Federal employees, I have heard of conditions as sordid as ours. Living in poverty such as ours (and many others) over a long period of time is a very degrading and disheartening thing. And I feel that somehow, in spite of the hearings and testimonials, Congress is still not acutely aware of our deplorable economic plight.

Therefore I ask that you bring this letter to the attention of the proper persons because it is difficult for me to believe that they could be so calloused and indifferent if they really knew the facts.

Sincerely.

One Hundredth Anniversary of American Turners

EXTENSION OF REMARKS
OF
HON. HAROLD F. YOUNGBLOOD
OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. YOUNGBLOOD. Mr. Speaker, under leave to extend my remarks, I am inserting in the RECORD a speech delivered by Hon. Carl M. Weideman, national president, on the occasion of the one hundredth anniversary program of the American Turners:

It has been 100 years ago that the revolution against the domination of Greater Germany by the Prussian kings took place and the failure of that revolution by the freedom-loving Germans caused their forced exile from their own native land. They thought America was the haven which they sought and a land in which they could be free people. Between 1848 and 1856, some six hundred thousand people, who wanted to be free, came to our shores, which then offered a haven to all oppressed persons of all countries. Their contributions to the development of America have amply repaid the land of their refuge—contributions to the economic, social, civic, and cultural life of these United States. Those German Turner immigrants and others who came to our shores in that period and before have indelibly written their names in our history by their contributions to the building of America. There was Carl Follen, Carl Beck, and Francis Leber, who came to America about 1819 and established the first public gymnasiums here. Then there was Carl Schurz and the Turners of the Civil War period, who fought to keep America free. It is well perhaps to enumerate the more important regiments that were composed wholly or in part of Turners:

"From Missouri, the First (Colonel Blair), the Third (Col. Franz Siegel), the Twelfth (Colonel Osterhaus), the Seventeenth (Colonel Hassendeubel, later Colonel Kramer), and the Forty-first (Colonel Wiedemeyer); from Wisconsin, the Fifth, the Ninth (Colonel Salomon), the Twenty-sixth (Colonel Hans Bobel); from Ohio, the Ninth (Colonel McCook), the Twenty-eighth (Colonel Moor), the Thirty-seventh (Colonel Siebert), the Hundred and Sixth (Col. G. Tafel), the Hundred and Eighth (Colonel Limberg); from Illinois, the Ninth (Colonel Mersy), the Twenty-fourth (Col. Frederick Hecker), the Forty-third (Colonel Engelmann), the Eighty-second (Col. Frederick Hecker); the First and Second of Kentucky; the Forty-seventh of Pennsylvania; the Twentieth of New York (Col. Max Weber, later Col. Engelbert Schnepf); the Second Cavalry Regiment of Minnesota (Lieutenant-Colonel

Pfander); the Artillery Brigade of Ohio (Col. Max Hoffmann); and the Artillery Brigade of Minnesota (Col. William Pfander)."

In later days, we find the names of Congressman Richard Barthold; Dr. H. M. Starkloff, Alvin Kindervater, Louis Kittlaus, and Carl Heckrich of St. Louis, Mo.; Herman Lieber, Theodore Stempfel, Emil Rath, Franklin and George Vonnegut, Leo Rappaport, and Dr. Carl B. Sputh of Indianapolis, Ind.; George Brosius, George Wittich of Milwaukee, Wis.; Henry Suder, Leopold Saltiel, Max Strass, and Congressman Tom Owens of Chicago, Ill.; Richard Pertuch and William A. Stecher of Philadelphia, Pa.; Carl Burkhardt of Buffalo, N. Y.; Paul Krimmel of Syracuse, N. Y.; Karl Schroder of Harvard University; Henry Metzner, Christ Wuest of New York City; Chris Neubauer of Springfield, Mass.; William Reuter of Davenport, Iowa; Ben Jacobson of Clinton, Iowa; William Pfaender, Herman Hein and Albert Steinhauser of New Ulm, Minn.; Henry Luther of Cleveland, Ohio; Dr. Carl Ziegler, Adolph Varrelmann of Cincinnati, Ohio; George Selbel, Dr. Herman Groth, Richard Turnt and William Voelker of Pittsburgh, Pa.; Carl Entenmann of Los Angeles, Calif.; Theodore Ahrens of Louisville, Ky.; Henry Pfeiffer, Berthold Selffert, and Dr. Tobias Sigel of Detroit, Mich.; Herman Koehler of the United States Military Academy; George Heintz of the United States Naval Academy; Dr. Carl Zapp; Dr. Carl Kroh; Hugo Fisher and many others who have helped build America.

Our national committee, during the past one hundred years, has traveled to many cities. It was located here, in the city of St. Louis, from the year 1870 to 1882, which was one of the finest periods of Turner history in America. It was at that time that such men as Carl Schurz, Secretary of the Interior, General Sigel, General Willich, General Hecker, Colonel Bennecke, and many others, who had served their country well in the Civil War, were active in trying to make America a still better place in which to live, through the Turner movement.

During the years gone by, the Turners were the first to promote and urge the right of women to vote; to urge the public election of United States Senators; to object to the passage of the prohibition amendment, when that movement was first started in 1855; to urge the conservation of all natural resources, in 1872. They believed that eventually wars should be abolished, while at the same time, they were the first to volunteer their services in defense of their adopted land.

We cannot help but remember that it was the Turners of St. Louis that took over Camp Jackson at a critical time in the Civil War and saved Missouri for the Union, nor can we forget that the last place that flew the Stars and Stripes in Maryland was a Turner Hall in Baltimore, nor can we forget that Turner rifles stood guard over Wendell Phillips at such times as his voice spoke out against the enslavement of man and, when he could speak in no other public halls, the Turner halls in America were thrown open to him. The principles that we stand for today, they fought for then.

Nor can we forget the contribution of Turners to the development of the physical educational program and the public recreational program as it exists today. Without the impetus of the Turners of America, public recreation would not have been afforded our citizens for a long time to come. It was the Turners of Chicago, St. Louis, Kansas City, and other cities, who established the first recreational centers in America, and from those modest beginnings, the health and recreation program has grown to the tremendous position it now assumes in America.

Nor can we forget that the Turner families in America turned out men who were fit to serve their country in time of need. While the national rejection in the first world war was 32.6 percent, the Turner rejection was about 6 percent. During the second world war, while the national rejection for unfitness and various reasons amounted to about 42 percent, Turner rejections were less than 5 percent. Not only have we contributed men and women who were physically fit to defend their country in time of need, but nearly all of them displayed their leadership and discipline which they had acquired in our gymnasiums, and my best judgment leads me to believe that about 90 percent of our Turners became either commissioned or noncommissioned officers in the armed forces.

The contribution of the Turners to the physical and moral health of all youth cannot be overestimated. Juvenile delinquency, as it is known in America today, is unknown in Turner movements. We have no delinquency problems among our Turner boys and girls; and, were there sufficient Turn halls erected in every city in America where families could live together in a natural and healthy environment, America would not need its juvenile detention homes nor its jails.

While the Turners have not actively been engaged in politics, as such, each one has taken an active part in the political and civic life of our communities and has exercised the right of franchise, independently always voting to secure the best man for public office regardless of party.

We Turners are proud of the contribution we have made to America to its development as a healthier, more sane and happier Nation. We are proud that for a hundred years we have contributed something to each community in which our societies have been located, by giving to that community a family program for health and happiness.

Following the introduction of physical education and recreation in our schools and cities, many of our older Turners thought that the mission of Turnerism in America was completed and their lack of enthusiasm allowed our movement to deteriorate for some years. While maintaining our strength, we were gradually losing our numbers.

Today, in the one hundredth year of our existence, the Turners have a program which is more extensive and more necessary than our program of even one hundred years ago. Our society is growing again and is gaining new members faster than in any other period of our existence.

The Turners today, and in the future, have a big job to do for America. Our aim should be to develop a model Turner society with proper buildings in every organized community in America. The Turners today are unique, in that we are practically the only society that offers full membership privileges to men and women alike and on an equal basis. It is the only society that offers a program for every member of the family, including the children, in an equal degree. The new Turner Society building plans, which have been completed and sent to the Turner Societies of America, provide for the following facilities:

The Turner buildings of today should house, first of all, a gymnasium, which occupies a prominent part of the building and is the keystone of our foundation. We should have two instructors in every Turn Hall—one for men and one for women. Our Society should have sufficient members so that it can support a building of the type we are planning. Dues should be large enough to adequately support our civic program, which includes not only the maintenance of this gymnasium, but also the maintenance and operation of a swimming pool and other cultural departments that are so necessary to make a complete society.

We recommend that a stage be built at the end of the gymnasium of generous proportion that can be used for large society affairs.

We also recommend a swimming pool large enough so that competitive swimming can be held therein.

Every Turn hall should have bowling alleys to give older members, who no longer care to participate in gymnasium activities, a chance to get a mild form of exercise. A bowling alley can be used by both men and women and gives an outlet for their competitive spirit.

A small auditorium should be built for the use of little theatre dramatic groups, glee club, Red Cross activities, veterans' posts, for weekly cultural programs by the members, etc. We believe large auditoriums are unnecessary. Such auditoriums can be furnished by the public school systems when needed or our gymnasiums can be used, eliminating the cost of operating a large auditorium.

A dining room of generous proportions, which will seat approximately 500 people, has been set up in our building plans.

A tap room and card room have been provided for our social life.

A room has been provided for the use of the Ladies' Auxiliary.

Also included is a recreation room for our children.

Handball courts and steam rooms for the use of the members are also provided.

We believe that, with these facilities embodied into one building, the Turner Society will be the headquarters of the better citizens of each city in America.

The Turn Hall of the future should have grounds large enough to provide an outdoor exercising space, softball field, and at least two tennis courts to make the Turner Society available for use throughout the year.

The Turners have a vital program today and have more chance for expansion than ever before in their history. We look to you Turners of today to give us your wholehearted support, willingly, for the development of our program as a contribution to the betterment of life in the United States.

In order that a record may be made of the Turner movement of today and our plans for tomorrow so that 100 years from today the Turners may understand what we were doing in the United States in the year 1948, I have gone quite extensively into the Turner history. Let us now project our plans and aims for the future. The program of today is essentially this:

The Turners are a family organization—catering to and always desiring participation in its affairs by all members of the family and, in turn, furnishing a program for all members of the family of all ages. You are never too young nor too old to find an outlet for your enthusiasm and energy in the Turner societies. Our program should provide, first: A planned program of physical and health education and recreation for the development of a sound body and; second: A course of cultural education for the development of a sound mind; third: A planned social program for men, women, and children, to give us a happy and peaceful life; fourth: We should participate in all worthy local and national civic and patriotic projects, in order to repay to America the security and decent living that it has given to all of us during the years and in order to maintain our standard of life in the future, as we have in the past—free and without oppression, tolerant and without prejudice, so that we can continue to be an independent thinking Nation.

We have established for the perpetuation and promulgation of Turnerism in America, the American Turners endowment trust. Our goal is to secure a fund of $500,000, voluntarily, among our 100 societies so that each of us can gradually help the other societies finance their building a new hall. Moneys from the endowment trust fund will

Conditions of work especially among attendants and maintenance workers are not generally such as to encourage the high degree of morale required for good medical care.

Second. A tendency to concentrate on the immediate treatment of the veteran's illness and a failure to explore adequately the possibilities of preventive medicine.

Veterans frequently complain, with considerable justification, that they are discharged from hospitals with little or no advice for the future.

Not only must administrative machinery be organized to remedy this, but a thorough and careful study of the entire problem is required.

Third. Segregation of Negro veterans and personnel and the inadequacy of the facilities provided for Negro veterans and personnel.

We condemn the Jim Crow policy of Veterans' Administration. We oppose the policy of building Negro hospitals, and urge the abolition of segregated wards.

There is an immediate need for the training of Negro physicians and other personnel, and we urge the appointment of qualified Negro residents, medical consultants, nurses, dentists, technicians, and other personnel in veterans' hospitals.

Fourth. Failure carefully to record and to analyze and study the tremendous amount of medical information made available to the Veterans' Administration.

No other medical agency in the country treats so many patients and can follow their cases so long. There is a great responsibility to veterans and to the entire population to keep careful records, to subject the records to suitable analysis and study, and to document the results. Very little has been done along these lines. Out of such study could come important contributions to medical science which would benefit both veterans and the people as a whole.

Fifth. Failure to carry out adequate investigations of disease in the wards and laboratories.

A great deal has been said about research, but little has been done. Dealing with a wide variety of illnesses among such large numbers of people, the Veterans' Administration has an obligation to carry on research with an end to finding out more about disease. We endorse an intensified and comprehensive program of medical research in the Veterans' Administration.

The remedy of some of these shortcomings, such as the latter two, require a new concept of the scope of the Veterans' Administration. A new orientation is necessary to appreciate the contributions it can make to American medicine. To these ends much greater appropriations and greatly expanded facilities are required.

We of the new party seek better health and medical care for the farmer. We shall insist that the shortage of doctors, of hospitals, of public-health services, indeed of every aspect of medical care which besets our farm families be met by immediate government and citizens action. We call for the end of the pernicious restrictive State legislation which prevents consumer groups from forming prepayment plans for bringing the benefits of modern medical care to their members. In each of the 21 States in which these laws exist, we pledge our full support to all citizen groups interested in their repeal.

If this Congress can vote a billion dollars to the corrupt military government of Turkey, it can vote for a National Health Program for the American people. We of the new party put the welfare of the American people before profits for big-business monopoly and the saber-rattling of the military brass and their political batmen. We challenge the reactionary old parties to place real concern for the health of the American people above profits and war.

Increased Pay for Federal Employees

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. GARMATZ. Mr. Speaker, there is very little time left in which to act on legislation to provide a pay raise for Post Office and other Federal employees.

There seems to be much indecision on the part of the House leadership. In an effort to keep expenditures at a minimum, they are willing to sacrifice the well-being of the Government employees who are dependent upon us for an adequate, living wage. Private industry has taken care of its workers, but the Federal workers have little hope of being taken care of.

Surely the fact that 243 Members of the House have appeared before the committee to voice their approval of a pay increase, should convince the leadership that it is the desire of the Members to help the Government workers. Why, then, aren't we given an opportunity to put our desires in concrete form, by voting on this legislation?

The bills which have come out of committee provide a much lower increase than should be granted, but since it appears that nothing better can be hoped for, we should at least have an opportunity to pass these bills.

We cannot expect the Federal employees to continue their high standard of efficiency, when they are constantly beset with financial worries. Salary increases granted them since 1939 are nowhere near the increase in the cost of living since that time. When they must resort to extra jobs to secure the bare necessities of life, as many of them have had to do, it is high time we did our duty by them.

Therefore, I strongly urge the leadership to permit this legislation to be acted upon before tomorrow night. If they fail to do so, they will be guilty of gross neglect of one of the most faithful groups of employees in the country.

Communism

EXTENSION OF REMARKS
OF
HON. WILLIAM C. COLE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. COLE of MISSOURI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Jack Beall:

INTERVIEW WITH FREDA UTLEY

Good evening, Those of you who have followed this series on Commulsm know that, with great frequency, I have referred to the writings of Freda Utley.

The record of her disillusionment with the Communist way of life has been written in "The Dream We Lost." It is now reissued under the title of "Lost Illusion" by the Fireside Press.

It constitutes one of the basic books on the Soviet Union. It is written by an Englishwoman who went to Russia, married a Russian, lived as a Russian for 6 years, saw the whole thing from the viewpoint of one who lived there—not of a visitor who stayed 3 weeks, or even of a correspondent. Trippers and correspondents may see the way of life of the Soviet people from a distance, but they can't live it. Freda Utley lived it intimately. She saw how the Soviet system worked out in actual practice.

I suppose it can be said truthfully that no other Westerner has had her intimate experience and got out to tell the tale.

Miss Utley went to Russia with full sympathy for the Communist experiment. In the course of her 6 years, her hopes were completely destroyed, she wrestled with her doubts and finally arrived at the bitter truth.

Truly—as she has written: "You believe what you wish to believe until experience bangs your head against the wall and awakens you."

I count it a great privilege to be able to introduce Miss Utley, in person, to this audience and to ask her some questions. Miss Utley, why do you call your book "Lost Illusion"?

Miss UTLEY. Mr. Beall, I once shared illusions still held by many young people today that the Soviet Union is a country where there is greater social justice and equality and opportunity than anywhere else in the world. As soon as I went to live in Russia, however, I found the reality the very opposite of my expectations. Nowhere else in the world is there greater inequality, and more misery and fear.

Mr. BEALL. Well, how about the inequality?

Miss UTLEY. In the first place, there is, in no country, a greater difference between the incomes of the ruling class—the Communist aristocracy—and the mass of the people. When I left Russia, Commissars were getting about ten thousand rubles a month, directors of enterprises between three and seven thousand, while the average wage was less than 300 rubles a month. In addition to this, the Communist big shots had their automobiles, country houses, luxurious apartments—special schools for their children, special hospitals and other privileges, enabling them to lead a life even more remote from that of the workers and peasants than that of a Park Avenue millionaire from the Oakies of which we have heard so much in the United States.

And then there is the dreadful hypocrisy. Even while living so well at the expense of the blood and sweat of the people, these

Communist aristocrats would talk about "our sacrifices."

Then there was the spectacle of visiting foreigners—not only Communists but the ignorant admirers of the Soviet Union, of the Henry Wallace type—these also used to make one feel sick. They just lapped up all the lies and the propaganda. When they saw starving women and children and the overworked, exhausted factory-workers, they would either say that it was all right for people to starve if their fathers had been capitalists or peasant landowners; or that their overwork and undernourishment was just fine—so long as it contributed to the building of the so-called Socialist State.

Mr. BEALL. You say "so-called Socialist state." Don't you consider that the Soviet Union is a Socialist state?

Miss UTLEY. Well—unless you consider that fascism and naziism are the same as socialism, then you can't consider that it is socialism in Russia.

Mr. BEALL. Well, what would you say it was?

Miss UTLEY. I have described it in my book as state capitalism, with the Communist Party drawing the dividends. It is just as if, in the United States, the big corporations had been able to deprive all other Americans of the vote and owned every factory, every farm and every mine in America as a group. They would then draw their incomes and control the life and livelihood of every single American, as members of the ruling party. As in Soviet Russia today they would be able to lower wages, increase working hours, raise prices just as they pleased. Anyone who protested would be refused a job and starved to death or sent to a concentration camp.

Mr. BEALL. Where did they get off the track, in Soviet Russia—that is, the track of pure socialism?

Miss UTLEY. I suppose the Bolsheviks really went off the track even in Lenin's day. When they first tried to force Socialism on the Russian people, when the Russian people didn't want it, and had to be terrorized into accepting it. But the big turning point came after Lenin's death and Trotsky's expulsion, when Stalin got complete control, took the land away from the peasants and converted them into state serfs. They also abolished the Party Maximum.

Mr. BEALL. And what was the party maximum, Miss Utley?

Miss UTLEY. Lenin had established it as a fundamental principle that no Communist was to draw a wage higher than that of a skilled worker. He knew that the temptation of holding absolute power was very great and he hoped to keep the Communist Party clean by not allowing any Communist to become rich. But Stalin abolished this party maximum and gave Communists higher incomes than anyone else. That was in order to attach them to his person. Today, in Russia, every Communist knows that if he opposes Stalin and speaks up for the downtrodden Russian people, he will lose all his privileges and his high income and be thrown into abject poverty—if, indeed, he escapes being shot or sent to a concentration camp, where he will slowly die of starvation and overwork. Another important point, which is not generally understood in America where we have so long enjoyed freedom that we don't understand what it means to be without it, is that Stalin invented that terrible method of coercing people and keeping them obedient—punishment of a man's children or of his mother and father. Perhaps some of you, listening to us this evening, have seen the movie "Iron Curtain" and will remember that the Soviet authorities expected to keep Gouzenko in line by threatening to kill or torture his family. I saw, while I lived in Russia, that even the bravest men can be broken by fear of reprisals on their wives and children.

Mr. BEALL. In your book, Miss Utley, you use the phrase "Stalin's Counter-Revolution." What did you mean by it?

Miss UTLEY. I meant, in general, that Stalin and those who constitute the inner circle—the Politburo—

Mr. BEALL. Just a moment, Miss Utley—right on that point. I saw in this morning's papers where President Truman had said that Stalin is the "prisoner of the Politburo." What about that?

Miss UTLEY. That is a perfect example of the tragic ignorance of the American people, including, evidently President Truman and, presumably, General Marshall, concerning the nature of the Soviet government. It sounds exactly the same as the way people used to talk about Hitler—you remember how the Germans and others used to say that all the horrible things that went on, in Nazi Germany, were not the fault of the beloved Fuhrer, or leader, that Hitler, himself, was not responsible. So, now, the American people, having been taught by war propaganda to regard Stalin as a great friend of America and democracy, want to believe that he is not responsible for Soviet aggression and Soviet atrocities. I was quite shocked to read that President Truman said yesterday that he—I quote—"liked old Joe. He is a decent fellow." And, I quote again, that he had had "the kindest feelings in the world toward Russia" when he became President. May I say that I really think that President Truman ought to know better, by now, and I hope that he is not trying to save the face of the Democratic party.

By "saving face" I mean the endeavor to cover up the consequences of the Administration's former mistaken belief in Stalin's good intentions by exonerating Stalin, personally, as President Truman did yesterday. Any one who has lived in the Soviet Union, as I did for six years, knows that Stalin has far greater power than any Czar in the past. He is the absolute dictator of all the Russians—it is quite ridiculous to describe him as the prisoner of the Politburo. Why any member of the Politburo who dared to argue with Stalin wouldn't last 2 minutes.

Mr. BEALL. I recall that in Eric Johnston's report on his conversation with Stalin and Molotoff, Mr. Johnston said that he made a proposal to Stalin about what he was to see in Russia which Stalin accepted. Mr. Johnston then politely turned to Molotoff and said, "If that is agreeable to Mr. Molotoff."

Stalin seemed to enjoy publicly humiliating Molotoff by saying back to Mr. Johnston, "You didn't suppose that Mr. Molotoff would disagree with me, did you?"

We got off the subject a bit, Miss Utley. We were discussing the way socialism, as originally conceived, has been perverted into state capitalism, or Stalinism. There is a very great difference from the standpoint of both theory and practice, I am sure. What is the quintessential difference that you see?

Miss UTLEY. Socialism, as I believed in it, and as some other liberals believe in it, means social justice, equality of opportunity, freedom from want and from fear. But Soviet Russia is a society in which there is misery, starvation, constant fear, and greater inequality than anywhere else in the world. I have been in China and other places where poverty is acute but nowhere have I seen such poverty, overwork, undernourishment, and acute contrast between the privileged and unprivileged as in Stalin's Russia, where the Communists live in luxury, while most other people work for a starvation wage.

Mr. BEALL. Then, Stalinism is going under a false label, throughout the world, appealing to intellectuals and the downtrodden on the basis of something that no longer exists?

Miss UTLEY. Absolutely. That is the tragedy of it. Many American liberals who should be opposing Stalin's horrible tyranny, are instead white-washing the Soviet Union, deceiving the American people, and spending their time undermining American democracy, which, for all its shortcomings, provides better material conditions, more freedom, a greater degree of social justice and opportunity to all than any other country.

Mr. BEALL. Your experiences in the Soviet Union, then, "cured" you as a party member?

Miss UTLEY. Yes; I was cured of political illusions or at least the propensity to fall for slogans, facile panaceas, and hypocritical pretenses. Ever since I lived in Russia it has been almost impossible for me to accept professions and declared aims at their face value anywhere. I am, I believe, forever cured of the western intellectual's preoccupation with external forms and labels. I cannot accept tyranny, cruelty, and starvation as justified because they are being inflicted on people in the name of a humanitarian ideal. Nor can I understand how western intellectuals, who call themselves liberals or socialist, can seek to bring on their own countries the Russian pattern of blood-stained dictatorship, misguidedly called a "classless society."

Life in the Soviet Union also made me realize that some absolute standards of behavior are essential to mankind if we are not to return to the level of the brute. * * * Russia taught me that even if one does not believe in God one must have a moral code, must accept certain social values as absolutes and allow some freedom to the individual conscience.

How can a just and humane social order be created if we root out our own humanity in the process of destroying the old society?

After long years of bitter experience, I have come to accept Bertrand Russell's social philosophy. I have learned that more evil is caused by fanatics than by wicked men, that no movement or individual can be certain enough of the effect their actions will have to subordinate means entirely to ends.

Mr. BEALL. It all comes down to that question of means and ends, doesn't it?

Miss UTLEY. Fundamentally, it does. Six years in Soviet Russia have convinced me that democracy, for all its inefficiency, is likely to secure more justice than any despot, however benevolent he may be or may profess himself to be.

Mr. BEALL. Why is it that Western liberals are so bemused by this tyranny under false colors?

Miss UTLEY. Seemingly, only personal experience of Communist terror and tyranny, with the never-absent physical fear of the secret police, can shatter the illusions of those who call ourselves Western liberals. Men like Henry Wallace who glibly speak of our overemphasis on bill of rights democracy and who speak of the superiority of Russia's so-called economic democracy are just ignorant.

I, myself, wonder why it is that we who have enjoyed the human freedoms that our forefathers fought so hard to win and to bequeath to us, do not—with the example of Russia before us—realize the horrors of life without freedom. Why is it that we cannot understand that there is no such thing as embracing communism as an experiment? It is a one-way street, ending in a cul de sac of secret police terror, firing squads for the intellectuals and leaders and concentration camps and slave labor for the masses. There is no turning back; there is no escape.

Instead of seeking for a way to combine order and control with individual liberty, a great many of our so-called progressive intellectuals, of recent years, have taken refuge under the mantle of Stalin's cruel despotism. Their critical faculties have become atrophied, together with their liberalism; and while barricading the front door against brown nationalism, they opened the back door to the red variety of the same thing.

RECORD, I include the following editorial from the Grand Rapids Press of June 15, 1948:

POSTAL WORKERS HAVE A CASE

With a formidable list of must legislation still to be acted upon if Congress is to adjourn this week, the fate of separate House and Senate bills to raise the pay of postal workers is in serious doubt. And this is in spite of the fact that the legislation was given a high priority by Senator TAFT only a few weeks ago and still is on the list of secondary issues marked "urgent."

The present House bill provides for a blanket increase of $585 a year for all postal clerks and carriers. The Senate measure calls for an $800 increase. Obviously a compromise will have to be reached if any action is to be taken—which means that both Senate and House will have to pass their respective bills and then send them to conference.

The case for raising postal workers' wages is a strong one: Throughout the war and postwar periods they have had but one general increase—that of January 1, 1946, which gave them a $400-a-year raise. Previous to that they had had but a minor readjustment in wages, which came on July 1, 1945, when postal jobs were reclassified. The reclassification, however, did not benefit new employees.

The so-called entrance wage for new postal workers hired as substitutes is $1.04 an hour. Once they attain the status of regulars, they are put on an annual wage of $2,100. Tops for clerks and carriers, after having served for 10 years, is now $3,100. Approximately one-third of postal workers in the Grand Rapids post office are receiving $2,100 to $2,200 a year.

The only way postal workers have of obtaining wage increases is through Congress. They long ago committed themselves to a no-strike policy. It takes no statistician to prove that with only one general increase throughout the entire inflationary period postal workers' income has lagged notably behind a rising cost of living and incomes in other lines of work. That point is underlined by the fact that post offies all over the country are finding it difficult, and even impossible, to fill vacant jobs.

Concern for the continued efficient and unimpaired operation of the postal service demands that favorable action be taken on some bill to raise postal workers' wages. It should be taken, too, as a matter of simple justice to one of the most faithful and hard-working groups in Government service.

Use of Steel for Development of Oil Supply

EXTENSION OF REMARKS
OF
HON. LEON H. GAVIN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. GAVIN. Mr. Speaker, in the report of the Special Subcommittee on Petroleum of the Armed Services Committee of the House of Representatives, a recommendation was made as to the use of steel for the development of oil supply. The order of priority of desirable use consistent with the national security was, first, the development of domestic resources; second, in the Western Hemisphere; and, third, in the rest of the world.

The figures on exports of seamless and welded casing and oil line pipe for the first 4 months of this year show that the total exports of these classes of tubular goods are at a rate which if maintained throughout this year promise an increase of more than one-third over the total exports for 1947, and over seven times the prewar rate.

They show that exports to Venezuela to the end of April this year had totaled 64,356 tons, or an annual rate of about 193,000 tons. The total for last year was 152,630 tons. Shipments to Mexico and Colombia were at a rate substantially less than last year, and to Canada about the same as in 1947.

The big increase was to the Middle East. The total exports of these tubular goods in 1947 was 51,673 tons. That total has already been exceeded in the first 4 months of this year, which latter total was 56,838 tons. That rate of exports, if kept up, would mean that the Middle East would increase its supply of pipe by more than three times.

The domestic producer is still desperately in need of tubular goods. The Department of Commerce was instructed by statute to satisfy itself that the domestic economy was safeguarded in its exercise of licensing authority. I invite the attention of the Members to this and to the rapid increase in exports of goods which we need to make certain that we have an adequate, dependable, and accessible supply of petroleum.

Increase of Pay for Federal Employees

EXTENSION OF REMARKS
OF
HON. ELLSWORTH B. FOOTE
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. FOOTE. Mr. Speaker, postal and Federal employees are entitled to and in need of an increase in wages. Their wages have not kept pace with those employed in private industry. The case presented by these workers to the Congress places us in much the same category as a jury sitting in a civil case where liability is admitted, leaving only the amount of the recovery to be determined.

I know that the Post Office Department is operating under a very large annual deficit, but this is no argument to be used against a fair increase to its employees. The theory that the Post Office Department should produce revenut equal to the cost of operation is one not indulged in when we consider any other agency of the Federal Government. Certainly there is no branch of it that renders greater service to the people of the country than does the Post Office Department. If there is any one thing that is distressing, it is the fact that your mail is not delivered promptly or possibly not at all, and, therefore, in order to see that a high standard of service is maintained, it is essential that we continue to have competent postal employees. There has been a failure on the part of many qualified persons to enter the postal service because of the low salary paid. An increase is very desirable so that it may attract qualified people into the service to replace those who may be retired or who leave it. It is in the interest, not only of the employees, but of the Government and the people of the United States, that postal employees and Federal employees, generally, be paid sufficient wages so that they can keep their minds on their work and not be obliged to worry about whether or not they are going to be able to meet the grocery bill on Saturday night.

It requires no argument to demonstrate the difficulty of the postal and Federal employee endeavoring to exist on the wages paid in these modern times and this is more especially true in the case of an employee with a family.

Aged and Blind Aid Constitutional Amendment Is California's Answer to Crisis Now Facing Needy Aged and Blind Pensioners

EXTENSION OF REMARKS
OF
HON. CHET HOLIFIELD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. HOLIFIELD. Mr. Speaker, considerable interest has been aroused in California by an initiative proposal to amend the State constitution, which will be voted upon in the November 2, 1948, election. This measure is entitled "The Aged and Blind Aid Constitutional Amendment," and it seems important that we gain an understanding of the nature of this proposal and of the underlying circumstances and forces which have combined to bring it into existence. It is significant that action such as is envisaged by this amendment, is being taken on a State rather than a national level—particularly when the sponsor of the measure has gone on record as favoring a uniform, national pension program under the social-security program.

The California aged and blind aid amendment is just what its name implies—an amendment to aid the needy aged and blind of the State by providing them with more adequate pension security in this inflationary period when persons on small fixed incomes are forced to live on substandard levels that barely sustain existence.

The sponsor of the measure is George H. McLain, who is the chairman and founder of the Citizens' Committee for Old Age Pensions, a California organization that was founded 8 years ago in

Los Angeles as a service center for the needy aged and blind of the State.

During these 8 years, the citizens' committee has greatly improved conditions for aged and blind pensioners. Many of the measures it has sponsored before the State legislature have been passed, and its influence has resulted in making the administration of the existing State welfare laws more humanitarian and impartial.

However, with the advent of the present inflationary period which apparently is the inevitable result of a war and postwar economy, it became evident that pension payments were inadequate to sustain a decent standard of life for the needy aged and blind. Some increases were granted to the pensioners, but these proved insufficient. Also, there was no safeguard to prevent a politically minded State legislature from reducing pensions and slashing relief rolls.

Mr. McLain sponsored a pension measure before the State legislature, which was substantially the same as the aged and blind aid constitutional amendment, and this bill was acted upon favorably by the assembly of the legislature—only to be sidetracked in committee in the State senate by three or four die-hard senators.

Faced with this impasse, Mr. McLain decided that—in the interests of the needy aged and blind, whom he represents—the matter should be taken to the people of California through an initiative constitutional amendment. The aged and blind aid amendment proved most popular with the voters, who recognized it as a practical and reasonable measure, and more than 330,000 signatures were secured on its qualifying petitions in a matter of 8 weeks.

Briefly, the main provisions of the aged and blind aid amendment are as follows: Old-age-assistance payments will be increased $15 a month from $60 to $75, and blind-aid payments will be increased $10 from $75 to $85 per month. The misnamed "responsible relatives" clause will be repealed—and I would remind you that the Federal Social Security Administration has gone on record as opposing State provisions which condition eligibility for assistance on the ability of relatives to support the applicant. The amendment also provides for an increased personal property allowance for pensioners, and states that no county shall discriminate against or charge a recipient for hospitalization or health services. Most important is the section which will make the State welfare director an elected official instead of an appointive one; this is being done in an effort to terminate the practice of looking upon this vital office as a political plum to be handed out by whatever governor happens to be in office.

The aged and blind aid amendment also will save home owners and property owners approximately $15,000,000 annually in county taxes, by eliminating the county welfare agencies' part in the aged and blind assistance program, and centralizing the control of the program in the State welfare department. This streamlining will result in economy, better administration, and uniform pension payments throughout the State. Every effort has been exerted, of course, to make sure that the amendment is in complete conformity with all requirements of the Federal social-security laws.

When George McLain appeared before the House Ways and Means Committee on May 3, 1946, as chairman of the National Pension Committee, Inc. and the Citizens' Committee for Old Age Pensions, his remarks included a statement to the effect that one of the important reasons he was at that time favoring a certain amendment to the Social Security Act was that it would "encourage uniform, higher grants for old-age and blind assistance throughout the entire Nation."

It seems obvious that when responsible leaders in the public welfare field go on record as favoring uniform national pension legislation, but are forced by circumstances to rely instead on State programs, that there must of necessity be a basic reason for such action. The reason, in my mind, is very clear. It is simply that Congress has failed to take any fundamental action to improve and extend the Federal Social Security Act since it was adopted more than 12 years ago.

The recent watered-down amendments to the Social Security Act, which have been enacted by the Republican majority as a substitute to the legislation requested by President Truman in his social security message, constitute only a very weak step in the right direction. The $5 monthly increase for the needy aged and blind, which this legislation provides, can be passed on to the aged and blind only in the few States, such as my own, which have enacted the necessary enabling legislation.

Meanwhile, the need for immediate action to provide a basic minimum of economic security for our needy aged and blind in this inflationary period is a problem which must be solved—and which must be solved at once. That, it seems to me, is why action is being taken on the State level. It is being taken because some solution must be provided at once for the dilemma now facing the needy aged and blind, and because Congress has failed to provide that solution.

Fortunately for the people of my State, the solution being offered them through aged and blind aid constitutional amendment is a thoroughly practical one, and one that will immediately guarantee our aged and blind that minimum of basic economic security which they must have to continue their struggle for existence.

It is my hope that Congress will, in the very near future, see fit to amend the Federal Social Security Act so that it will provide the real security for our people which should be theirs, and so that a Nation-wide uniform old age assistance program will become a reality.

Meanwhile, I am giving my support to the California aged and blind aid constitutional amendment as a realistic solution to problems which must be acted upon at once; and I earnestly hope and recommend that the voters see fit to make it a part of our State constitution in November.

Excerpts From Addresses Made on the Floor of Congress by Hon. J. Harry McGregor, of Ohio

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. McGREGOR. Mr. Speaker, as a Member of the House of Representatives from the Seventeenth District of Ohio, I have earnestly endeavored to voice on the floor of Congress the opinions of the people it is my honor to represent. In order to obtain these opinions I have kept in constant contact with my constituents relative to their suggestions and views and have held meetings in the six county courthouses of the district each summer and have sent out questionnaires annually.

Under consent to extend my own remarks in the RECORD, I include excerpts of various speeches and remarks I have made on the floor of the Eightieth Congress relative to our national issues. Anyone who so desires may find these speeches in full in the CONGRESSIONAL RECORDS on the dates indicated:

M'GREGOR ASKS FOR WISDOM IN FEDERAL SPENDING

(March 25, 1947)

Mr. Speaker, the huge sprawling structure of Federal bureaucracy invites and compels waste, confusion, and inefficiency. The whole bureaucracy is too complex for our people to understand, for the President to supervise, or for Congress to control. The Eightieth Congress is finding it increasingly difficult to unravel and establish good and sound and efficient Government. The almost incredible duplications of effort and overlappings of authority are baffling obstacles to wise economy.

Recently there were no less than 29 agencies lending Government funds, 3 insuring deposits, 34 engaged in the acquisition of land, 16 in wildlife preservation, 9 in credit and finance, 12 in home and community planning, 10 in materials and construction, 28 in welfare matters, 14 in forestry matters, 4 in bank examinations, and 65 in gathering statistics. In 1932 there were 521 agencies ranking as bureaus or the equivalent, and now 1,141 exist.

The people of my district want to know where their tax dollars are going and how wisely they are being spent. President Truman's recent budget called for two to three times as much money to be spent by each Government department in the coming fiscal year as was spent in any prewar year. Why should it cost taxpayers almost $700,000,000 more in 1947 than in 1946 to operate regular Government bureaus and departments? Why does the operation and cost of upkeep of the Executive Mansion have to be more than three times the amount spent before the war? Do we need over a million more civilian personnel in war agencies today than we did before Pearl Harbor?

Mr. Speaker, I do not want to do away with any department, or with any individual, absolutely essential to the orderly functioning of our Government, but I venture the assertion that if the various department pay rolls were gone over carefully, the results would show that some of their pay rolls are havens for displaced bureaucratics and war-

where there is a dependent mother and father, $40 each. The bill defines as dependent one parent whose annual income does not exceed $1,800 or both parents who do not have an income of $3,000. In determining the annual income, any payments made by a parent for expense of last illness of the veteran or such expense of burial of the veteran as exceeds the amount of the allowance authorized by Veterans Regulation No. 9 (a), as amended, shall be excluded and any payments by the United States Government because of disability or death under laws administered by the Veterans' Administration shall not be considered nor shall life-insurance payments from any other source, including income therefrom in an amount less than $3,000 received in any one year, be considered.

The authorizing of pensions for widows and other dependents of veterans under the provisions of this bill does not constitute a gift, contribution, or charity but simply represents our great nation's effort to assume the obligations of the men and women who fought and died in its defense. It is my opinion that the more our Nation can assume in the way of helping widows and other dependents of these veterans, the better will the Nation be able in the future to have sufficient military strength for any national emergency.

H. R. 5588 provides an increase of compensation for certain veterans with service-connected disabilities of 60 percent or more who have dependents. It applies to veterans of the Spanish-American War, World War I and World War II and to peacetime veterans whose disabilities are the result of extrahazardous duty or conditions simulating war.

Under existing laws the amount paid for service-connected disabilities is the same whether the veteran is unmarried, married, has one child, several children, or a dependent parent or parents. This bill provides that in cases of total disability the veteran shall receive in addition to the flat award compensation in the amount of $30 if he has a wife but no children; $50 if he has a wife and one child; $65 if he has a wife and two children; $80 if he has a wife and three or more children. If the veteran has no wife and one child living, he would get $20 additional; no wife but two children living, $35 additional; no wife but three or more children living, $50 additional; and if he has a mother or father, either or both dependent upon him for support, $25 additional for each parent so dependent. Certainly no objection could be raised by anyone authorizing additional payments of compensation to a veteran 60 percent or more disabled by service-connected disabilities to help him meet the high cost of living today in supporting his dependents. When Congress again meets I feel certain legislation will be proposed and considered that will provide additional benefits for veterans suffering from service-connected disabilities of less than 60 percent.

Let me again state that I am glad that I have had the opportunity to study these bills as well as other proposed bills introduced for the benefit of veterans and veterans' dependents and to do what I could to procure favorable action by the House of Representatives.

I desire to commend my colleague, Judge MATHEWS, for his splendid work in the Congress of the United States and especially on the Veterans' Affairs Committee of the House of Representatives.

The two bills, H. R. 3748 and H. R. 5588, which have been taken up, are the result of some of Judge MATHEWS' effort to rectify an inequitable condition existing in our pension laws. It has been a pleasure to have been associated with Judge MATHEWS on the Veterans' Affairs Committee. The service of this splendid legislator will be greatly missed when he voluntarily terminates his service in the United States House of Representatives at the end of this Congress. The great body of veterans and veterans' dependents will miss Judge MATHEWS who has labored so tirelessly in their behalf. I prophesy a most successful future for Judge MATHEWS because of the prodigious effort he applies to whatever he chooses to do.

I cannot let this opportunity go by without expressing my deep appreciation for the splendid work of the Chairman of the Veterans' Affairs Committee, the Honorable EDITH NOURSE ROGERS. I am especially grateful to Mrs. ROGERS for the assistance she has given me in the work I have tried to do on the Veterans' Affairs Committee. I know of no one who has a greater heartfelt interest in the veterans and their dependents than Mrs. ROGERS.

Necessity for Federal Pay Increases

EXTENSION OF REMARKS
OF
HON. CHARLES H. RUSSELL
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. RUSSELL. Mr. Speaker, under leave to extend my remarks I wish to include a letter received from Marwood A. Doud, a Government worker at Boulder City, Nev., which I feel further demonstrates the great need for an increase in the pay of all Federal employees, both classified and hourly workers:

The letter follows:

BOULDER CITY, NEV.,
June 10, 1948.

Hon. CHARLES H. RUSSELL,
United States Representative,
House of Representatives,
Washington, D. C.

MY DEAR MR. RUSSELL: Current reports on legislation relating to pay increase for classified Government employees indicate that certain Members of the congressional body are not aware of the need that exists.

An informal survey among 30 of the classified employees in our immediate section shows that, of the 30, there are 26 who cannot live normally on the Government salary which they receive.

Report of the survey is as follows:

(a) Eighteen persons, wives and husbands are both employed.

(b) Four persons (two included in item (a) draw compensation).

(1) One person (widow), has used in excess of $400 savings since January 1, 1948.

(d) One person (widow), has two children, helped by parents.

(e) One person (included in item (a)), does janitor work in local lodge hall 12 nights per month.

(f) One person, does landscape maintenance work evenings, Saturdays and Sundays; has drawn $600 from savings since January 1, 1948.

(g) Two persons, do bookkeeping for local business firms.

(h) One person, acts as insurance adjuster and local contact man for eastern firm.

(i) Four persons, refused to comment.

It seems certain that, if time would permit a more extensive survey, it would prove beyond a doubt, that there is urgent need for an early adjustment of salaries of classified Government employees.

In view of these circumstances, it can easily be seen that those who have children that require a mother's care are severely handicapped by greater living costs and lower family-earning power.

May I urge that you lend your support to the early passage of pay bill S. 1537.

Very truly yours,

MARWOOD A. DODD.

Mineral Preparedness

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. ENGLE of California. Mr. Speaker, it seems strange that we should be debating a draft bill in order to keep our nation adequately prepared for any emergency and give no attention whatever this session of Congress to the fact that in strategic minerals and metals we are woefully short of the necessities of a sustained wartime effort. There are some who will recall the desperate shortages of copper, lead, zinc and other strategic and critical minerals and metals during the last war. And also the fact that at one time we were within 4 or 6 months of shutting down our steel production because of the lack of manganese, which is an absolute essential in steel production.

This condition still continues and has not been remedied. I wish to quote from recent issues of the American Metal Market:

June 11, 1948: Activity in the (zinc) export market was practically at a standstill today, due to the fact that sellers simply haven't got the metal with which to do business * * * the market continues to be featured by very heavy demands from European and Asiatic sources.

June 9, 1948: There continues to be a tremendous demand for zinc from many points on the globe, with buyers willing to take anything they can get * * *. Sellers, however, appear to be completely sold out.

June 8, 1948: Supplies (of zinc in Great Britain) are on the tight side * * * the Belgian smelters continue to complain of inadequate zinc-ore supplies, and some furnaces may have to close down.

It may also be instructive to examine the domestic zinc statistics published by the American Zinc Institute for August 1947, the month in which the President vetoed H. R. 1602, and for May 1948—in short tons:

	Total shipments, smelters to users	Stocks in hands of smelters and Office of Metals Reserve	Smelters, unfilled orders
August 1947	57,609	161,256	40,028
May 1948	71,629	43,934	71,018

The shipment rate has increased 25 percent, stocks available for shipment have declined 73 percent to less than 20 days' supply, and unfilled orders, have increased 78 perment. The same report shows that during last month there were entered into our national stock pile the absurd amount of 89 tons, when for our national security the total should reach millions of tons within a few years.

All this while 100,000 tons a year of our own mine productive capacity lies prostrate under monopolistic control of zinc prices, and another 50,000 tons is being produced at a loss to the irreparable damage of the mines from which it is being robbed. At the same time, we are importing vast amounts of ores which normally go to feed the smelting industry of northwestern Europe, undermining one of the great props to the economies of those countries to whose rehabilitation we are committed.

More than 200,000 tons of copper a year is being produced in this country at a loss or a dangerously inadequate profit, and yet the head of our greatest copper corporation stated recently that his major problem this year is to prevent another increase in the price of copper.

The Russell bill which was recently denied action in this section by the Rules Committee provides for maximum copper production without increasing the price to the consumers and presents the Department of the Interior with the tools to salvage the ore deposits in this country which have been gutted by selective mining since World War I. The Department of Interior has provided an excellent definition of conservation, as follows:

"By conservation is meant the wisest use of resources to achieve sustained or stable production with a minimum of waste."

The Russell bill will provide for mass mining at average grade for all remaining deposits and thus meet exactly the foregoing definition by seeing to it that our over-all grade of ore diminishes at the lowest possible rate. If the Russell bill could be passed it will constitute an offer to the Department of Interior to go forward into a great constructive conservation program to protect and increase the power of our mineral economy. We need the Russell bill as an integral part of the effort of this Nation to remain strong and prepared.

Record of Performance Set Forth in Letter

EXTENSION OF REMARKS
OF
HON. JAMES H. MORRISON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. MORRISON. Mr. Speaker, with leave to enter my remarks, I wish to include a letter which I have sent to some of my constituents. The letter is as follows:

MY DEAR FRIEND: It has been my privilege and honor to be your Congressman for the past 6 years, representing and serving you in the Nation's Capitol. It was through your most kind efforts and support that I was given the grave responsibility and honor to serve in the Congress of the United States during one of the most critical periods in our Nation's history.

In former letters I have explained to you the accomplishments that I have worked so hard and faithfully to achieve. It was not with any boasting that I related them to you, but to inform you in such a manner that you would get in detail this information. Even my most bitter political enemy and critics will readily admit that I have made one of the best Congressmen that has served from the Sixth District of Louisiana.

Your Congress has faced a multitude of difficult problems and issues during the past years. I have tried to work diligently to help all the people of my district by putting forth my best effort to solve these problems—I shall continue those efforts. I have consistently voted for all measures that would help my people. My support of all farm legislation is a well-established fact. No one can deny the tremendous effort that I put forth in trying to help our deserving veterans. No problem has been too small nor, one too large to receive my best attention. Regardless of your walk in life or your past political alinements, I have helped everyone who ever called on me to the best of my ability. Naturally, I am proud of this effort.

I pledge unhesitatingly to do everything within my power to continue to help you to remedy the problems and troubles that beset you at this time, and to improve your working and living conditions.

Feeling that my efforts, work, and record of achievement are deserving of another term, I take this means of asking you for your vote and support in my reelection. Your support and that of your friends will help me to help you. I will be deeply grateful if you can contact your friends, neighbors, or relatives and urge them to support my candidacy.

In closing, may I again stress the importance of the greatest problem we face today—the establishment of a permanent peace. To this I shall devote the full measure of my ability, energy and experience. We want to live in a world where we and those who come after us can look into the future without fear of any man, but with peace on earth, good will toward our fellowmen and faith in God.

Sincerely,

JIMMY MORRISON, M. C.

P. S.—You no doubt realize that with 6 years in Washington as your Congressman, that I am in a most advantageous position to render to you and the rest of the people of this District the greatest possible service. The experience, seniority and my personal contacts and acquaintances with hundreds of department heads in Washington puts me in a position to give you the highest type of congressional performance. My record is one of performance. You cannot compare performance and experience with no experience and mere idle promises.

If I can ever be of any service or assistance to you in my capacity as your Congressman at any time, I am sure you feel no hesitancy in calling on me.

Mr. Speaker, I also wish to include the following letter:

DEAR FELLOW OFFICIAL: I am taking the liberty of addressing you in this manner because both of us have one thing in common and that is that we hold public office and were elected by the people.

As you know, I am running for reelection to Congress. I have tried to do everything within my power to aid my district and feel that you will agree that I have done a conscientious job. Even my worst critic admits that I have done a good job as Congressman. I will certainly appreciate it if you could see fit to support my candidacy. I sincerely hope that I will be able to contact you personally, but prior to that opportunity I decided to write you this letter asking for your support.

With kindest personal regards, I am

Sincerely yours,

JIMMY MORRISON, M. C.

The Apple Industry and the Postwar Era

EXTENSION OF REMARKS
OF
HON. WALT HORAN
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. HORAN. Mr. Speaker, the letter below was presented to President Truman upon the occasion of his visit to Grand Coulee Dam.

It outlines an interesting problem in the postwar era affecting the fruit industry.

DEAR MR. PRESIDENT: The famed, fertile mountain-rimmed apple valleys of the State of Washington, known around the world as the Apple Bowl of America, bid you welcome.

Your stay here is necessarily brief. We regret that you cannot visit our thousands of orchards which last year produced over 38,000 cars of apples which were shipped to nearly every one of the 48 States of the Union. Nearly 5,000 families farm these orchards which range in size from 7 to 700 acres, and behind these families are thousands more whose livelihood, too, is apples—spraying, pruning, thinning, picking, packing, warehousing, selling, and shipping.

Had last year been a prewar year, over 10,500 of these cars, based on a prewar average export of 28 percent of the crop, would have gone into export markets all over the world, but last year was a postwar year in a troubled world and fewer than 1,000 cars moved into export, with the result that Washington apple growers struggled with super-human effort to sell virtually their entire crop to

and their place in restoring world economy; the mixed character of the peoples living in the Near East; the many, and I stress the many, religious sensibilities involved; and the strength of feeling, not only among many Jews, but among many Arabs and hundreds of millions of Moslems.

These together, with the tragedy of the Jewish DP's, are important elements in the situation.

You know that in the past our national policy on Palestine and in the Near East has been bedeviled because of resolutions, pledges and commitments exacted from candidates and parties mainly on the say-so of highly articulate pressure groups without full disclosure and consideration of all the relevant facts.

But you also know that, once in power, the party and the candidates from which such pledges have been obtained are at fearful disadvantage. They are confronted with one of two equally disagreeable alternatives: Either to carry out broad pledges, which are constantly given new and wider interpretations by the pressure groups that first exacted them, or to be guided by the realities of our international situation which make the redemption of such broad advance promises impossible, leading to the odium of betrayal of campaign pledges.

The Palestine problem is so fluid that such unhappy alternatives are particularly likely to follow. The bitter experience of the Labor Party in England should be fully taken into account. While out of power it passed many glib and high-sounding resolutions on this subject. When it acquired power it learned to its sorrow that the national interests of England required a different course.

I sincerely believe that it would be in the best interests of our country if there were no planks on this subject by either party.

But I also believe that the Republican Party will win in the November elections and therefore that it has the greater responsibility.

I therefore urge that if there must be a resolution, it be limited to a recognition of the existing facts; that it extend sympathy to the DP's; that it pledge, as of paramount importance, efforts to peace in Palestine and the preservation of its holy places and of its people; and that it give clear expression of equal and nondiscriminatory friendship for all the peoples of Palestine and the neighboring lands whether Moslems, Christians, or Jews.

I shall be glad to answer your questions in further explanation of my views, which are here submitted in the best interests of the Republican Party and of our country.

A Strong and Adequate Merchant Marine Is Necessary

EXTENSION OF REMARKS
OF
HON. HAROLD C. HAGEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. HAGEN. Mr. Speaker, because of the great interest throughout the country in the American merchant marine, I desire to insert into the RECORD a statement made by Frazer A. Bailey, president of the National Federation of American Shipping. The article which he prepared was published in the American Press, June 1948 issue, as an editorial. It follows:

For the third time in the lives of many Americans, public apathy and indifference to the urgent necessity for a strong and adequate American merchant marine are beginning to creep with slow paralysis over the Nation.

Public apathy in 1914 cost us a World War I shipbuilding program of $3,000,000,000, and most of the ships were built too late for use. Again our unpreparedness on the seas in 1939, largely a result of public indifference to our maritime debilitation, necessitated a wartime construction program of $15,000,000,000.

To recount briefly, we learned a bitter and costly lesson in 1914, when foreign ships, carrying over 90 percent of our foreign trade, were suddenly withdrawn from service. Our docks piled up with the products of our farms and factories. The Nation literally screamed for ships. A haste and waste program, at taxpayers' expense, built the ships, but most of them were too late for actual service in World War I.

Again in 1939–40 we were unprepared with an adequate merchant fleet. The Government spent fifteen billion to produce a wartime fleet. We could not have won the war without it.

Since the end of the recent unparalleled devastation, the wartime size and importance of the American merchant marine has been steadily decreasing. Our highly trained officers and seamen and skilled shipbuilding workers are drifting into other industries. Foreign ships are againg beginning to carry more of our trade than do our own American ships.

Coastwise and intercoastal shipping, the first segment of the industry called upon in an emergency, has been unable to reestablish itself. One Government agency has not yet corrected a discriminatory rate system despite urgent pleas, while another agency has imposed onerous and unjustified Panama Canal toll increases adversely affecting American ships transiting the Canal.

Our passenger fleet, the vital troop carriers in war, is less than half its prewar size and unable to answer the demands of Americans who want to travel on American ships.

And yet, history with all of its pages teaches us nothing if not the indisputable fact that every nation which has reached commercial supremacy—even achieved national security—has done so by developing and fostering a dependable merchant marine. That corollary should be even more important when we consider the leading position of the United States among all nations of the world today. We cannot be a first-rate power with a second-string merchant marine.

What is needed is a strong and consistent Government policy which will lead, not follow, in fostering and developing a merchant marine commensurate with our position in world affairs; which will use reasons for actions rather than create reasons for lack of action.

We cannot expect our Government to do this unless the public—aware of the need and convinced of the reasons for an adequate privately owned American merchant marine—communicate their interest, their opinions, and their requests for such a merchant marine to their representatives who establish national policy.

A great statesman once said, "Give the people the facts, and they will act." I count the future of the American merchant marine among the major problems of this Nation.

EDITOR'S NOTE.—Frazer A. Bailey has been president of the National Federation of American Shipping, which represents a majority of steamship owners and operators of United States-flag shipping, for the past year.

Prior to the federation presidency, Mr. Bailey was president of Matson Navigation Co., with headquarters in San Francisco.

Mr. Bailey has had more than 38 years' experience in American shipping as well as a number of years experienee in the shipbuilding industry. He had extensive experience in wartime shipping, being largely responsible for direction of merchant shipping in the Southwest Pacific during the crucial period that led to the capitulation of Japan.

Pay Raises for Federal Employees

EXTENSION OF REMARKS
OF
HON. JAMES C. DAVIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. DAVIS of Georgia. Mr. Speaker, during the past week or 10 days the status of legislation to provide pay raises for Federal employees has varied and fluctuated from day to day. One day the report is out that there is no chance for a pay raise at this session of Congress. The next day that statement is repudiated and the report is circulated that legislation providing these pay increases is certain to be enacted before Congress adjourns. These conflicting reports are circulated from one day to another, and it is no wonder that the postal and Federal employees are worried about their fate, and are uncertain as to what it will be.

I believe that the overwhelming sentiment of the Members of Congress favors pay increases for these employees. I have spoken on the floor of the House heretofore, urging that this legislation be enacted. I again urge that prompt action be taken now to provide these deserved increases.

I am today in receipt of two telegrams from groups of Federal employees in the district which I represent, and under leave previously granted, I insert these telegrams herewith for the consideration of the House:

MARIETTA, GA., *June 17, 1948.*

Hon. JAMES C. DAVIS,
House of Representatives,
Washington, D. C.:

Local newspaper reports indicate House favors passage of pay raise for postal employees only. We trust reports of such discrimination are in error. Our ability to help pay all the pay raises granted labor through increased costs has long passed the breaking point. We appreciate your past support and earnestly solicit your continued efforts on behalf of all civil-service employees. Your assurance will be appreciated.

Arthur L. Sparks, Collection Unit, Veterans' Administration, Branch 5, Atlanta, Ga.; William P. Foster; Estelle B. Reed; Lennon M. Bowden; Idolene L. Huddleston; Barbara Adams; Alfred W. Mullins; Eleanor E. Windham; Russell Marvin Cooke; Marie C. McFarland; Mary Culbreath; L. Jeanette Holloway; Ed O. Ludwig; Patty Skinner; Harold C. Hanson; Elizabeth Mapp; Charles Green; Joseph Richards; Paul J. Newell; Ernest C. Rowe;

William L. Moon; F. M. Lenoir; M. L. Bentley; Lula Johnson; H. E. Shelnutt; Clyde Quigley; Mary J. Glenn; Mary V. Knight; Thomas I. Crawford; Geraldine Defoor; Florine E. Porter; Barie Harrison; Alvin W. Mayo; Claudia O. Hildebrand; Maude M. Foster; Mabel J. Alford; Helen Sue Bettis; Virginia Wingard; Marjorie V. Herod; Rose M. Smith; L. Jean Thomas; Laura G. Duncan; Nell Ellison; Grace A. Hasty; Willodcan H. Phillips; Joseph F. Baker; George A. Kendrick; Ivan G. Price; Henry A. Weldon; Victor H. Crusselle; James T. Ferguson; Fred Brandshaw; James Carson; Leroy Harlin; Mary E. Pope; Betty H. Duncan; Paul C. Swords; William C. Sockwell; E. W. Gatewood; J. A. Nance; J. R. Hutcheson; M. Florence Eller; Teresa A. Fischer; Rosalind Shepherd; Ruth Wells; Chester T. Mokrzyck; Everlyn F. Brogdon; H. E. Pelfrey; A. L. Allred; Ben C. Fryer; Edward L. Youngblood; Wynell Owen; R. Frank Jones; George Henderson; Jennie Smith; D. D. Anderson; Elsie Thacker; L. M. Ashbury; David Thompson; George Hayes; Horace Brumbalow; James Carpenter; James Bottoms; William Croft; James Shaw; John McLaughlin; Ralph Shelton; Mary Bramlett; Lola Trammell; Grady Guess; Margaret Martin; Ruth Wolf; Nell Deloach; Helen Anglin; Williams Cole; Jack Lueschen; Robert Swain; Stan Hoynowski; O. S. Myrich; Mary M. Smith; W. T. Gazoway; Hugh Millwood; Velma Viates; Eula Brown; Myrtle Roberts; Billie Ragsdale; Kathleen Miliam; Everette Kelly; Albert Christy; John Westbrook; Frances Clark; Pauline Bowers; Evelyn Stewart; Carrie Tate; William Webb; Freddy Hammac; Ester Shrivers; Catherine Hendrix; Leonard Alfred; Alfred Gilroy; Clyde Bryan; William Lancaster; Frank Campbell; Forrest Rutledge; Jimmie Tucker; Paul Smith; J. R. Walsh; W. T. Culbreath; L. T. Mann; William McCrea; M. Escue; C. R. Burke; Katherine McLeod; Hattie McKenzie; Pat Murphy; H. G. Owens; J. W. McArthur; Marian Honea; Caroline Brown; Mildred Moore; William Awtry; Walter Freeman; H. M. Williams; W. T. Marr; E. L. McNabb; Ruth Prewitt'; Anelia Ashworth; Martha Cutter; W. B. Parris; J. D. Moreland; Arthur Hardison; H. G. Allen; Charles McIntosh; Wilma Pickens; Edith McClure; Betty McEves; J. E. Bramlett; Marie Simmons; Annette Poor; Betty Johnson; Martha Wright; Evelyn White; Bernice Roe; W. M. Jordon; Helen Henderson; H. A. Stamp; A. E. Page; S. H. Howel; R. L. Holcombe; C. W. Hightower; G. E. Hamilton; S. W. Pierce; Alice Miner; Stanley Birch; W. T. Beard; B. G. Smith; J. Y. Walston; G. Gatlin; J. R. Middlebrooks; T. P. Huff; R. W. Chasewood; Mamie Broach; Robert Sawyer; Glenn Barnette; Jack Goldstin; R. W. Newman; Alma McGehee; Clyde Grogan; Leon Bizzell; Curtis Chandler; Joyce Leroy; Charles Hardin.

ATLANTA, GA., *June 17, 1948.*

Hon. JAMES C. DAVIS,
House of Representatives,
Washington, D. C.:

Report of last evening's newspaper indicates passage of $5,000,000,000 plus for foreign aid. Same newspaper indicates possible passage of permanent increase for postal employees and also states that other civil-service employees possibly might not be considered during this term of Congress. We trust this newspaper report is in error. If it be true, it appears that you are familiar with the high cost of living with particular reference to our lower-grade civil-service employees. It would be appreciated if you would furnish a copy of this wire to Representative JOSEPH MARTIN for recording in the CONGRESSIONAL RECORD.

J. L. Peacock, B. B. Christian, J. L. Broom, Glenn J. Barnett, Mamie Broach, Alma McGehee, Jack Goldstein, O. P. Parker, Jean E. Johnson, G. G. Powell, H. F. Wright, L. A. Hesalroad, K. C. Shaver, James E. Eaton, Martha Howard, Wm. W. Camp, Jane S. Holt, J. Celko, Robert W. Sawyer, B. E. Roberts, R. J. Redding, C. L. Padgett, C. McGraw, Frances Coley, Louise Smith, B. B. Meacham, Glenn Smith, R. E. Chewning, C. D. Lyon, Louise E. Copher, Foster Massey, M. Brown.

The House on the Draft

EXTENSION OF REMARKS
OF
HON. ROBERT L. F. SIKES
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Friday, June 18 (legislative day of Thursday, June 17), 1948

Mr. SIKES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times for today:

THE HOUSE ON THE DRAFT

The House of Representatives went yesterday from bad to worse on the selective-service bill. Having adopted on Wednesday a political formula for its implementation and a crippling amendment limiting the period of service to 1 year instead of 2, it yesterday practically gutted the original bill. If the amendment proposed by Representative SHAFER remains in the bill, we might better, perhaps, have no action at all this session. The Michigan Republican's amendment would defer all inductions until January 31, 1949, raise service pay, lower entrance qualifications (now at the seventh-grade level) and offer other inducements to stimulate voluntary enlistments.

Such an alliance of pro-Russians, isolationists, and other elements as seldom is seen joined in a rowdy, shouting phalanx to scuttle a measure on whose successful passage hang international questions of almost incalculable consequence. Instead of the calm and ordered debate on its merits that the American people have a right to expect and to demand of their elected Representatives on one of the most vital issues presented to this Congress, this country and the world were treated to an exhibition that included such depth of absurdity as the statement that immorality of some Army officers was responsible for failure of recruiting to provide the men needed for America's armed services. Representative RICH of Pennsylvania accused proponents of a sensible selective service measure of already being so greatly under the control of the military that they were afraid to do anything the Army didn't want them to do.

The fault for the situation now prevailing on selective service rests on those Republican leaders who have been so concerned with the approaching Philadelphia convention and the November elections that they have been willing to gamble with national security to promote their own political ends. Good legislation seldom is passed when the Members have one eye on the clock. This bill should have been debated and passed on weeks ago. It had been bottled up in the Republican-controlled Rules Committee since May 7.

With only two more legislative days to go before adjournment, or recess, only a modern Nostradamus would dare predict what sort of a selective service bill finally will come out. If the hysterical House atmosphere of yesterday continues, we would favor Senator TAFT'S proposal to recess over the convention period and bring Congress back later to take up the measure in a calmer mood, even though that would mean a further delay in bringing our armed services to required strength. Speaker MARTIN might then be willing to assert leadership and restore some order to the ranks of his followers.

This is no period of ordered peace when this country can afford to swing like a weather vane to every regional political wind. These are days of great decision, when peace for our time is the stake. The best hope of that is a strong, united United States, holding to a calm and steady course in international affairs, its strength mobilized to guarantee that freedom of decision for men and nations shall not be abridged. An important element of that strength and unity is in the selective service bill.

Colorado's Attractive Winter Playgrounds

EXTENSION OF REMARKS
OF
HON. EDWIN C. JOHNSON
OF COLORADO
IN THE SENATE OF THE UNITED STATES

Saturday, June 19 (legislative day of Tuesday, June 15), 1948

Mr. JOHNSON of Colorado. Mr. President, some days ago Cedric Foster reporting in Denver over radio station KFEL on Mutual, paid a beautiful and eloquent tribute to one of Colorado's attractive winter playgrounds. Foster seems to have caught the spirit of the high-altitude country. He has made it so crystal clear to his audience that I want others to enjoy it. Therefore I ask unanimous consent to insert this broadcast in the Appendix of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

This is Cedric Foster reporting to you from Denver.

And speaking of peace and security, this gorgeous Colorado countryside, particularly when you are high in the mountains, radiates a freedom and freshness of life that so many persons are seeking so desperately in war-torn and strife-ridden countries of the world. You get out here in Colorado and all of the meanness and narrowness of humanity vanishes as you stand in awe of the works of God.

This last week end I went up into the mountains, up over Loveland Pass, which is just 8 feet short of 12 thousand above the sea. A few miles beyond Georgetown, Colo., which is an old mining town nestling in the very depths of canyons which cut deeply in the heart of the Rockies, just beyond Georgetown is the Arapahoe Basin ski area where thousands of skiers enjoyed the greatest of all winter sports for weeks past, one which is carried on right into the month of June. The main slope of the mountains, which throw their protecting shoulders into what seems like the very heart of the blue heavens, that slope has northern exposure with the result that there are still 4 feet of snow with excellent skiing.

[Public Law 900—80th Congress]

[Chapter 830—2d Session]

[H. R. 6916]

AN ACT

To provide for permanent postal rates and to provide pay increases for Government employees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Postal Rate Revision and Federal Employees Salary Act of 1948".

TITLE I—ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES IN THE FIELD SERVICE OF THE POST OFFICE DEPARTMENT

Sec. 101. All postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, shall receive additional compensation at the rate of $450 per annum: *Provided*, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 25 cents per hour: *Provided further*, That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 25 per centum of their basic annual compensation.

Sec. 102. The provisions of this Act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

Sec. 103. (a) Sections 17 (e) and 22 (d) of such Act of July 6, 1945, as amended, are each amended by striking out "6 cents per mile" and inserting in lieu thereof "7 cents per mile".

(b) Section 22 (d) of such Act of July 6, 1945, as amended, is further amended by striking out "75 cents" and inserting in lieu thereof "90 cents".

(c) The Act entitled "An Act to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of two years, and for other purposes" (Public Law 467, Eightieth Congress), is hereby repealed.

Sec. 104. This title shall take effect on the first day of the first pay period which begins after June 30, 1948.

TITLE II—POSTAL RATE REVISION

AIR MAIL

Sec. 201. The rate of postage on all domestic air mail as defined in Public Law 730, Seventy-ninth Congress, shall, except in the case of postal cards and private mailing or post cards, be 6 cents for each

ounce or fraction thereof. The rate of postage on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to use of postal cards", approved May 19, 1898 (U. S. C., 1940 edition, title 39, sec. 281)), when sent by air mail, shall be 4 cents each.

THIRD-CLASS MAIL

SEC. 202. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 1½ cents for each two ounces or fraction thereof: *Provided*, That upon payment of a fee of $10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 203. Publications containing twenty-four pages or more issued at regular intervals of four or more times a year, 25 per centum or more of whose pages are devoted to text or reading matter and not more than 75 per centum to advertising matter, which are circulated free or mainly free, may, upon authorization by the Postmaster General and under such regulations as he may prescribe, be accepted for mailing at the postage rate of 10 cents a pound or fraction thereof, computed on the entire bulk mailed at one time, but not less than 1 cent per piece, provided the copies of such publications are presented for mailing made up according to States, cities, and routes as directed by the Postmaster General: *Provided*, That publications owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them shall not be accepted under this section.

FOURTH-CLASS (PARCEL POST) MAIL

SEC. 204. (a) On fourth-class matter (limit of weight over eight ounces to seventy pounds) the rate of postage except as herein provided for catalogs (limit of weight over eight ounces up to and includ-

ing ten pounds), books, and library books, shall be by the pound as hereinafter provided, the postage in all cases to be prepaid by stamps affixed thereto or as otherwise prescribed by the Postmaster General.

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 10 cents for the first pound or fraction thereof, 1 cent for each additional pound or fraction thereof up to an including ten pounds, and ¾ cent for each pound or fraction thereof exceeding ten pounds.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 12 cents for the first pound or fraction thereof, 2⅒ cents for each additional pound or fraction thereof up to and including ten pounds, and 2 cents for each pound or fraction thereof exceeding ten pounds.

(3) For delivery within the third zone, 13 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including ten pounds, and 2⅘ cents for each pound or fraction thereof exceeding ten pounds.

(4) For delivery within the fourth zone, 14 cents for the first pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including ten pounds, and 4¼ cents for each pound or fraction thereof exceeding ten pounds.

(5) For delivery within the fifth zone, 15 cents for the first pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5½ cents for each pound or fraction thereof exceeding ten pounds.

(6) For delivery within the sixth zone, 16 cents for the first pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including ten pounds, and 7¼ cents for each pound or fraction thereof exceeding ten pounds.

(7) For delivery within the seventh zone, 17 cents for the first pound or fraction thereof, 9½ cents for each additional pound or fraction thereof up to and including ten pounds, and 9¼ cents for each pound or fraction thereof exceeding ten pounds.

(8) For delivery within the eighth zone, 18 cents for the first pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including ten pounds, and 11¼ cents for each pound or fraction thereof exceeding ten pounds.

(9) On parcels measuring more than 84 inches but not more than one hundred inches in length and girth combined the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 7½ cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 8 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, 9 cents for the first pound or fraction thereof and 2 cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, 12 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

(d) Books, permanently bound for preservation consisting wholly of reading matter or reading matter with incidental blank spaces for student's notations and containing no advertising matter other than incidental announcements of books and when in parcels not exceeding seventy pounds in weight, may be sent at the postage rate of 8 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

(e) Books, consisting wholly of reading matter and containing no advertising matter other than incidental announcements of books, when sent by public libraries, organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, as a service to county or other unit libraries or as a loan to readers or when returned by the latter libraries or readers to such public libraries, organizations, or associations shall be charged with postage at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or

fraction thereof, except, that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection for books under this classification: *Provided*, That this rate shall apply only to such books as are addressed for local delivery, for delivery in the first, second, or third zone, or within the State in which mailed. Public libraries, organizations, or associations before being entitled to the foregoing rates shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual.

(f) To procure the most expeditious handling and transportation practicable of mail matter of the fourth class, special-handling stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, 15 cents; matter weighing more than two but not more than ten pounds, 20 cents; matter weighing more than ten pounds, 25 cents: *Provided*, That, under such regulations as the Postmaster General may prescribe, ordinary stamps of equivalent value may be accepted in lieu of the special-handling stamps herein specified.

SPECIAL DELIVERY

SEC. 205. To procure the most expeditious handling and transportation practicable and the immediate delivery of mail matter at the office of address, special-delivery stamps shall be affixed thereto, in addition to the regular postage, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 15 cents; if of any other class, 25 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 25 cents; if of any other class, 35 cents. Matter weighing more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents: *Provided*, That, under such regulations as the Postmaster General may prescribe, ordinary postage stamps of equivalent value may be accepted in lieu of the special-delivery stamps.

MONEY ORDERS

SEC. 206. A money order shall not be issued for more than $100, and the fees for domestic money orders shall be as follows: For orders less than $5 and 1 cent, 10 cents; for orders from $5 and 1 cent up to and including $10, 15 cents; for orders from $10 and 1 cent up to and including $50, 25 cents; for orders from $50 and 1 cent up to and including $100, 35 cents.

POSTAL NOTES

SEC. 207. (a) The Postmaster General may authorize postmasters at such offices as he shall designate, under such regulations as he shall prescribe, to issue and pay money orders not exceeding $10, to be known as postal notes. The fee for issuance thereof shall be 8 cents each.

(b) Postal notes shall be valid for two calendar months from the last day of the month of their issue, but thereafter may be paid by the Postmaster General or refund may be made in case of loss, upon evidence satisfactory to him, under such regulations as he may prescribe: *Provided*, That no claim for the amount of a postal note will be considered unless filed within one year from the last day of the month of

issue. Postal notes shall not be negotiable or transferrable through endorsement.

REGISTERED MAIL

SEC. 208. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows: For registry indemnity not exceeding $5, 25 cents; for registry indemnity exceeding $5 but not exceeding $25, 35 cents; for registry indemnity exceeding $25 but not exceeding $50, 40 cents; for registry indemnity exceeding $50 but not exceeding $75, 45 cents; for registry indemnity exceeding $75 but not exceeding $100, 50 cents; for registry indemnity exceeding $100 but not exceeding $200, 60 cents; for registry indemnity exceeding $200 but not exceeding $300, 70 cents; for registry indemnity exceeding $300 but not exceeding $400, 85 cents; for registry indemnity exceeding $400 but not exceeding $500, $1; for registry indemnity exceeding $500 but not exceeding $600, $1.10; for registry indemnity exceeding $600 but not exceeding $700, $1.20; for registry indemnity exceeding $700 but not exceeding $800, $1.30; for registry indemnity exceeding $800 but not exceeding $900, $1.40; for registry indemnity exceeding $900 but not exceeding $1,000, $1.50.

(b) For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry fee paid by not more than $50, 2 cents; by more than $50 but not more than $100, 3 cents; by more than $100 but not more than $200, 4 cents; by more than $200 but not more than $400, 6 cents; by more than $400 but not more than $600, 7 cents; by more than $600 but not more than $800, 8 cents; by more than $800 but less than $1,000, 10 cents. If the excess of the declared value over the maximum indemnity covered by the registry fee paid is $1,000 or more, the additional fees for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 11 cents; for delivery within the second zone, 12 cents; for delivery within the third zone, 14 cents; for delivery within the fourth zone, 15 cents; for delivery within the fifth or sixth zone, 16 cents; for delivery within the seventh or eighth zone, 18 cents.

(c) For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid, there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the insurance fee paid by not more than $50, 1 cent; by more than $50 but not more than $100, 2 cents; by more than $100 but not more than $200, 3 cents; by more than $200 but not more than $400, 4 cents; by more than $400 but not more than $600, 5 cents; by more than $600 but not more than $800, 6 cents; by more than $800 but less than $1,000, 7 cents. If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is $1,000 or more,

the additional fee for each $1,000 or part of $1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows: For local delivery or for delivery within the first zone, 8 cents; for delivery within the second zone, 9 cents; for delivery within the third zone, 10 cents; for delivery within the fourth zone, 11 cents; for delivery within the fifth or sixth zone, 12 cents; for delivery within the seventh or eighth zone, 13 cents.

(d) All such fees shall be accounted for in such manner as the Postmaster General shall direct. Mail matter for the official business of the Post Office Department which requires registering shall be registered free of charge, and pass through the mails free of charge.

RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 209. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR INSURED MAIL

SEC. 210. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding $5; 10 cents for indemnification exceeding $5 but not exceeding $10; 15 cents for indemnification exceeding $10 but not exceeding $25; 20 cents for indemnification exceeding $25 but not exceeding $50; 25 cents for indemnification exceeding $50 but not exceeding $100; 30 cents for indemnification exceeding $100 but not exceeding $200. Whenever the sender of an insured article of mail shall so request, and upon payment of a fee of 5 cents at the time of mailing or of 10 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 26 cents at the time of mailing of any such insured article of mail, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEES FOR COLLECT-ON-DELIVERY MAIL

Sec. 211. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- or fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 20 cents for collections and indemnity not exceeding $2.50; 25 cents for collections and indemnity exceeding $2.50 but not exceeding $5; 35 cents for collections and indemnity exceeding $5 but not exceeding $25; 45 cents for collections and indemnity exceeding $25 but not exceeding $50; 55 cents for collections and indemnity exceeding $50 but not exceeding $100; 60 cents for collections and indemnity exceeding $100 but not exceeding $150; and 65 cents for collections and indemnity exceeding $150 but not exceeding $200. The fee for notifying the sender or his representative of inability to deliver a collect-on-delivery article shall be 5 cents.

RESTRICTION IN DELIVERY

Sec. 212. The Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 20 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided*, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the postal service or nondelivery of the article or articles was due to some fault of the postal service.

REGISTERED COLLECT-ON-DELIVERY MAIL

Sec. 213. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 55 cents for collections and indemnity not exceeding $10; 70 cents for collections and indemnity exceeding $10 but not exceeding $50; 90 cents for collections and indemnity exceeding $50 but not exceeding $100; and $1.15 for collections and indemnity exceeding $100 but not exceeding $200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be $200.

(b) When indemnity in excess of $200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be $1.20 for indemnity exceeding $200 but not exceeding $300; $1.25 for indemnity exceeding $300 but not exceeding $400; $1.30 for indemnity exceeding $400 but not exceeding $500; $1.35 for indemnity exceeding $500 but not exceeding $600; $1.40 for indemnity exceeding $600 but not exceeding $700; $1.45 for indemnity exceeding $700 but not exceeding $800; and $1.55 for indemnity exceeding $800 but not exceeding $1,000.

Sec. 214. This title shall take effect on January 1, 1949.

TITLE III—FEDERAL EMPLOYEES PAY INCREASES

Sec. 301. Except as provided in section 303, each officer and employee of the Federal Government, and each officer and employee of the District of Columbia municipal government, whose rate of compensation

is increased by section 2, 3, 4, 5, or 6 of the Federal Employees Pay Act of 1946 shall receive additional compensation at the rate of $330 per annum: *Provided*, That any employee paid on an hourly or part-time basis shall receive additional compensation at the rate of 20 cents per hour.

SEC. 302. The additional compensation provided by this Act in the case of officers and employees whose rates of compensation are fixed in accordance with the Classification Act of 1923, as amended, shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of such Act, as amended.

SEC. 303. (a) Section 603 (b) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "$10,000" where it first appears in such section and inserting in lieu thereof "$10,330".

(b) Section 7 (b) of the Federal Employees Pay Act of 1946 is amended by striking out "$10,000" and inserting in lieu thereof "$10,330".

(c) No officer or employee shall, by reason of any provision of this title be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $10,330 per annum.

SEC. 304. The provisions of this Act granting an increase in compensation to employees of the United States and of the District of Columbia shall not apply to any employee in or under the municipal government of the District of Columbia prior to the time that legislation providing adequate revenues to meet the obligation in the District of Columbia is enacted by the Congress and becomes effective.

SEC. 305. This title shall take effect on the first day of the first pay period which begins after June 30, 1948.

Approved July 3, 1948.

HOLD FOR RELEASE HOLD FOR RELEASE HOLD FOR RELEASE

JULY 3, 1948

CONFIDENTIAL: The following Statement by the President MUST BE HELD IN STRICT CONFIDENCE and no portion, synopsis or intimation may be given out or published UNTIL RELEASED.

NOTE: Release is automatic at 6:00 P. M., E.D.T., today, Saturday, July 3, 1948. The same release applies to all newspapers, radio commentators and news broadcasters.

PLEASE EXERCISE THE UTMOST CARE TO PREVENT PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT.

EBEN A. AYERS
Assistant Press Secretary

STATEMENT BY THE PRESIDENT

I have today signed the Postal Rate Revision and Federal Employee Salary Act of 1948 (H. R. 6916).

I have done so even though the Act meets neither the needs of the employees nor those of the Government.

In my Budget Message in January, I stated that the best approach to the cost-of-living problem faced by Federal employees was to enact a comprehensive program to hold living costs down. This would not only have aided Federal workers but would also have given relief to our people generally. But the Congress did not enact such a program, and prices have continued to rise.

Since the Congress failed to take action to hold down the cost of living, it is only fair that Federal employees should be given pay increases to offset in some degree the constantly rising cost of living.

It is unfortunate, however, that the Congress, in attempting to grant relief, has acted in such a manner as to aggravate an already serious situation.

The Act grants a flat increase to employees covered by the Classification Act. Differences between the upper and lower pay grades, already substantially reduced by the pay raises given in 1945 and 1946, are further decreased by this Act. The effect of this is to reduce seriously the opportunity for salary advancement which should go with increased responsibility.

For example, young chemists who have just received their undergraduate degrees will receive, under this Act, $2974.80 a year for working in Government laboratories. Working alongside of these recent graduates will be some of the Nation's outstanding scientists who, after twenty or twenty-five years of service, will be receiving only $10,330.00 as the heads of these laboratories.

Another fundamental defect in the Act is that when this law becomes effective the members of many of our boards and commissions and some heads of agencies will be receiving $10,000 while groups of their employees will be compensated at the rate of $10,330. In other words, those who are ultimately held responsible for what happens in these agencies will be getting less money than some of the persons employed by them.

This is, of course, a violation of the principles of sound management. I know of no other way to characterize it than to say that it is ridiculous. Certainly nowhere else could one find a situation comparable to it in either public or private employment.

No successful industrial concern would tolerate a situation which provided as narrow a spread between entrance salaries and the

(OVER)

general salary ceiling as that which now exists in the Federal Government or which resulted in Administrators receiving less pay than some employees supervised by them.

Businessmen wouldn't tolerate it because they know that it would destroy the morale of the persons in their employ and, in many instances, result in their most competent personnel seeking and obtaining employment elsewhere.

The results which would follow from such a policy in industrial concerns follow just as certainly in the Federal Government. The Congress, by refusing to follow the suggestions which I transmitted to it in March for a general revision and simplification of the Government's salary classification structure and by failing to raise salary ceilings in a realistic way, has seriously impaired the morale of some of our best employees, and has put the Executive branch in a position where it will undoubtedly lose more of its most competent career employees. As a result, the Congress has thrown new obstacles in the way of the efficient management of the Executive branch.

This Act also discriminates against employees of the District of Columbia Government, including the teachers in the public schools, by excluding them from the present pay increases. To deny these employees, living in a city which has the highest living costs in the Nation, the pay increases given other employees living in the same area is grossly unfair.

In spite of these considerations, I believe that the employees covered by this Act are entitled to at least as much relief as the Congress has provided. That is why I have signed the Act.

I have no intention, however, of permitting the matter to rest at this point. There are approximately 2,000,000 men and women working in the Federal Government. They are conscientious, hard-working, loyal citizens who are rendering an outstanding service to the people of this Nation. I have said before and I say again that I have the greatest respect and regard for their devotion to duty and the work they are doing.

I want these employees to know, therefore, that in the interest of correcting this intolerable situation and strengthening and improving the career service, I shall urge that the Congress pass legislation which will set Federal pay scales at the proper levels for all employees including members of the Cabinet and the heads of the independent agencies, as well as persons who are occupying key positions in the professional, scientific and technical fields, and modernize and simplify the Classification Act of 1923, and once again provide a proper relationship between jobs.

It is clear that the Government can never compete on a dollar-for-dollar basis with business and industry, particularly in the upper salary brackets. Government can compete with business and industry, however, when it comes to dealing with its employees in a fair and equitable manner on salary matters. If it has this kind of a reputation, the satisfaction which comes to Government employees because of the knowledge that they are serving their fellow human beings will serve to attract and retain in the public service the first-rate men and women we so greatly need.

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LEGISLATIVE HISTORY

S. 814

WOOL ACT OF 1947

(Vetoed)

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INDEX AND SUMMARY OF HISTORY ON S. 814.

January 3, 1947	H. R. 63 was introduced by Rep. Granger and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
January 8, 1947	S. 103 was introduced by Senator O'Mahoney and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Similar bill).
February 12, 1947	H. R. 1890 was introduced by Rep. Barrett and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
February 28, 1947	H. R. 2318 was introduced by Rep. Hill and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
March 7, 1947	S. 814 was introduced by Senator Robertson and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced.
March 4, 1947	Hearings: House, H. R. 63, 1890, 2318 and S. 814.
	Resume of House hearings.
March 17, 1947	S. 917 was introduced by Senator Saltonstall and was referred to the Senate Committee on Agriculture and Forestry. (Similar bill).
March 26, 1947	Hearings: Senate, S. 103, 814 and 917.
	Resume of Senate hearings.
April 1, 1947	Senate Committee on Agriculture and Forestry ordered reported S. 814.
April 2, 1947	Senate Committee reported with amendments S. 814. Senate Report 85. Print of the bill as reported.
April 7, 1947	S. 814 debated in the Senate and passed with amendments.
April 10, 1947	S. 814 was referred to the House Committee on Agriculture. Print of the bill as referred.
April 15, 1947	House Agriculture Committee reported S. 814 with amendments. House report 257. Print of the bill as reported.
May 12, 1947	Remarks of Rep. Murray. Questions and answers regarding the wool bill.
May 20, 1947	Remarks of Rep. Land. Remarks of Rep. Hope, with a proposed amendment to S. 814.

May 21, 1947	House Rules Committee reported H. Res. 214 for the consideration of S. 814. House Report 409. Print of the Resolution.
May 22, 1947	House began debate on S. 814.
May 23, 1947	House debate concluded. S. 814 passed House with amendment.
May 26, 1947	Senate Conferees appointed. Remarks of Rep. Crawford.
May 29, 1947	House Conferees appointed. Rep. Douglas criticized the bill.
June 12, 1947	House received the Conference Report. House Rept. 584.
June 13, 1947	Print of S. 814 with the amendments of the House numbered.
June 16, 1947	House agreed to the Conference Report.
June 18, 1947	Senate received and debated Conference Report.
June 19, 1947	Senate debated and agreed to the Conference Report.
June 26, 1947	Senate received President's veto message.
	Veto Message. Senate Document 68.

80TH CONGRESS
1ST SESSION

H. R. 63

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1947

Mr. GRANGER introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize the Secretary of Agriculture to establish a comparable price for wool, a comparable price for lambs, and to provide support price for wool, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wool Act of 1947".

SEC. 2. (a) Beginning with wool produced in 1947, Commodity Credit Corporation is directed, through loans, purchases, or other operations, to so use the funds available to it as to support, during the period beginning January 1, 1947, and expiring two years thereafter, a price to producers of wool in the continental United States and Terri-

tories of not less than 90 per centum of the comparable price for wool as of January of the year in which the wool is produced.

(b) Notwithstanding any other provisions hereof, the Commodity Credit Corporation may adjust support prices for individual grades and qualities of wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of wool; may make discounts from support prices for off-quality, inferior-grade, or poorly prepared wool; and may make discounts from support prices for the purpose of discouraging unsound marketing practices.

SEC. 3. The Secretary of Agriculture shall establish a comparable price for wool and a comparable price for lambs, respectively, and the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price for wool and the comparable price for lambs, respectively, shall be that price which bears the same relation to the average parity prices of the basic agricultural commodities, cotton, corn, wheat, rice, tobacco, and peanuts, as the actual price for wool or lambs, as the case may be, bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. Such comparable

price for wool or lambs may be adjusted for grade, quality, season, and location.

SEC. 4. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to operations carried out pursuant to section 2 hereof.

SEC. 5. The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool.

80TH CONGRESS
1ST SESSION

H. R. 63

A BILL

To authorize the Secretary of Agriculture to establish a comparable price for wool, a comparable price for lambs, and to provide support price for wool, and for other purposes.

By Mr. GRANGER

JANUARY 3, 1947

Referred to the Committee on Agriculture

80TH CONGRESS
1ST SESSION

S. 103

IN THE SENATE OF THE UNITED STATES

JANUARY 8, 1947

Mr. O'MAHONEY introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such Act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wool Act of 1947".

SEC. 2. (a) Beginning with wool produced in 1947, Commodity Credit Corporation is directed, through loans, purchases, or other operations to support a price to producers of wool in the continental United States and Territories at

levels as follows: The support level for wool produced each year during the period beginning January 1, 1947, and expiring two years after the first day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated shall be 90 per centum of the comparable price for wool as of January of the year in which the wool is produced; and the support level for wool produced after the expiration of such period shall be not less than 50 per centum and not more than 75 per centum of such comparable price, as determined by the Secretary of Agriculture: *Provided, however,* That prior to December 31, 1950, the price supported shall be not less than the price at which the Commodity Credit Corporation has undertaken to support wool in 1946: *And provided further,* That after December 31, 1950, the price supported in any year shall not be reduced by more than 6 per centum below the price supported in the immediately preceding year.

(b) Notwithstanding any other provisions hereof, the Commodity Credit Corporation may adjust support prices for individual grades and qualities of wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of wool; may make discounts from support prices for off-quality, inferior-grade, or poorly prepared, wool; and may make

discounts from support prices for the purpose of discouraging unsound marketing practices.

SEC. 3. The Secretary of Agriculture shall establish a comparable price for wool and a comparable price for lambs, respectively, and the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price for wool and the comparable price for lambs, respectively, shall be that price which bears the same relation to the average parity prices of the basic agricultural commodities, cotton, corn, wheat, rice, tobacco, and peanuts, as the actual price for wool or lambs, as the case may be, bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. Such comparable price for wool or lambs may be adjusted for grade, quality, season, and location.

SEC. 4. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to operations carried out pursuant to section 2 hereof.

SEC. 5. The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool.

SEC. 6. Such part of the proceeds derived from duties

collected under the customs laws on and after the enactment of this Act as is necessary from time to time, as determined by the Secretary of Agriculture, to reimburse the Commodity Credit Corporation for losses realized by it in connection with operations carried out pursuant to the provisions of sections 2 to 5, inclusive, of this Act are hereby authorized to be appropriated and made available to the Secretary of Agriculture for payment to the Commodity Credit Corporation.

SEC. 7. The Agricultural Adjustment Act, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is further amended as follows:

(a) By adding at the end of section 2 (7 U. S. C., 1940 edition, 602) the following:

"(3) Through the exercise of the powers conferred upon the Secretary of Agriculture under this chapter to establish and maintain such orderly marketing conditions for wool in interstate commerce as will establish prices to producers of wool at the comparable price level for wool as set forth in section 3 of the Wool Act of 1946, but the interest of the consumers shall be protected by (a) approaching the level of prices which it is declared to be the policy of Congress to establish with respect to wool by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in

domestic and foreign markets, and (b) authorizing no action hereunder which has for its purpose the maintenance of prices to producers of wool above the level which it is declared to be the policy of Congress to establish with respect to wool."

(b) By inserting in section 8 (c) (7 U. S. C., 1940 edition, 608c (2)) the word "wool" immediately after the word "hops".

(c) By inserting in section 8c (6) (7 U. S. C., 1940 edition, 608c (6)) the word "wool" immediately after the word "hops".

SEC. 8. The Secretary of Agriculture is authorized to expand and intensify research and studies, and to engage in demonstration work, as to problems relating to the production, processing, preparation, manufacturing, standardization, grading, marketing, and utilization of wool, mohair, sheep pelts, goat pelts, and products thereof, including studies of competing materials and manufactures and including the establishment and maintenance of laboratories and pilot plants. In carrying out such studies, research, and other operations, the Secretary of Agriculture is authorized to cooperate with and enter into contracts with public and private organizations. The Secretary of Agriculture is further authorized to appoint a wool advisory committee rep-

resenting public and private agencies interested in any phase of the wool industry, to hold conferences with said committee or subcommittees thereof, and to receive and consider the recommendations of said committee for wool-research programs and other operations under this section. The authority provided for herein shall be in addition to, and not exclusive of, any authority under existing law.

SEC. 9. (a) The Secretary of Agriculture is hereby authorized, after investigation and due notice and opportunity for a hearing, to fix and establish types and standards of quality and condition for the grading of wool, mohair, wool tops, and mohair tops and to conduct tests for the shrinkage, clean content, length and fineness of fiber, and any other characteristics of wool, mohair, wool tops, and mohair tops. The standards fixed and established by the Secretary as provided herein shall be published in the Federal Register and sixty days after such publication shall become and be the Official Wool and Mohair Standards of the United States, and such official standards shall be substituted for and be used in lieu of any official wool or mohair standards heretofore established by the Secretary of Agriculture under the provisions of any existing law. The Secretary of Agriculture shall have the power to alter or modify, after investigation and due notice and opportunity for a hearing, such official standards whenever the necessities of the trade may require

and such alterations or modifications shall likewise become effective sixty days after publication thereof in the Federal Register.

(b) Any person who has custody of or a financial interest in any wool, mohair, or tops therefrom may submit the same or samples thereof, drawn in accordance with the rules and regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the rules and regulations of the Secretary of Agriculture, for a determination of the true grade, shrinkage or clean content, including the comparison thereof, if requested, with types or with other samples submitted for the purpose. Except for the purposes of the assessment and collection of customs duties the final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true type grade, shrinkage, clean content, or comparison thereof when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall make rules and regulations for drawing and submitting samples of wool, mohair, or tops therefrom for a determination of type, grade, shrinkage, clean content, or comparison.

(c) The Secretary of Agriculture may cause to be col-

lected such charges as he may find to be reasonable for determinations made under subsection (b) of this section.

(d) Whenever the Official Wool and Mohair Standards of the United States established under this section shall be represented by practical forms, the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request.

(e) The Secretary of Agriculture is authorized to effectuate agreements with wool associations, wool exchanges, and other wool or mohair organizations, either domestic, foreign, or international, for (1) the adoption, use, and observation of universal standards of wool and mohair grades, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements.

SEC. 10. There is hereby authorized to be appropriated annually commencing with the fiscal year 1948, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary of Agriculture to carry out the provisions of sections 8 and 9 hereof.

80TH CONGRESS
1ST SESSION

S. 103

A BILL

To provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such Act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes.

By Mr. O'MAHONEY

JANUARY 8, 1947

Read twice and referred to the Committee on Agriculture and Forestry

80TH CONGRESS
1ST SESSION

H. R. 1890

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1947

Mr. BARRETT introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend section 22 of the Agricultural Adjustment Act (reenacted by the Agricultural Marketing Agreement Act of 1937), so as to extend such Act to all programs of the Department of Agriculture, and agencies operating under its direction, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 22 of the Agricultural Adjustment Act, as amended and as reenacted (U. S. C., 1940 edition, title 7, sec. 624), is hereby amended by adding a new subdivision as follows:

"(f) Whenever it appears that foreign raw-apparel wool is being or is practically certain to be imported into

the continental United States under such conditions and in such quantities as may interfere materially with any program or operation undertaken under this title or any other program or operation undertaken by the Department of Agriculture or any agency operating under its direction with respect to domestic raw-apparel wool, or to reduce substantially the amount of any product processed in the United States from such commodity then, and in that event, import quotas shall be established in the following manner:

"(1) Quotas for the importation of foreign raw wool other than for the manufacture of carpets and other uses as specified in paragraph 1101 (B) of the Tariff Act of June 1930 shall be established for the purpose of supporting the farm price of domestic wool.

"The Secretary of Agriculture shall determine and announce as of January 1 of each year the estimated United States requirements for imports of such foreign wool during the succeeding eighteen-month period.

"The Secretary of Agriculture shall establish and announce import quotas for such foreign wool for each quarter of the year at least one month prior to the beginning of such quarter. Such quotas may be established by grades.

"All persons engaged in the production, marketing, processing, or manufacture of wool, and having information which the Secretary deems necessary to enable him to

administer the provisions of this Act, shall, upon the request of the Secretary, or his designated agent, furnish such information. Any person who willfully fails or refuses to furnish information requested by the Secretary under this section, or who willfully furnishes false information in response to any such request, shall, upon conviction thereof, be punished by a fine of not to exceed $500 or by imprisonment for not to exceed one year, or both.

"(2) The Secretary of Agriculture shall establish a comparable price for wool and the comparable price so established shall be used for the purposes of all laws in which a comparable or parity price is established or used. The comparable price for wool shall be that price which bears the same relation to the average parity prices of the basic agricultural commodities, cottou, corn, wheat, rice, tobacco, and peanuts, as the actual price for wool bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. Such comparable price may be adjusted for grade, quality, season, and location.

"(3) The Secretary of Agriculture shall administer import quotas for such foreign wool in such manner as to support the prices received by wool producers as near as practicable to 90 per centum of the comparable price for wool during the period beginning July 1, 1947, and ending December 31, 1948, and thereafter at the same

percentage of the comparable price as may then be applicable to other basic agricultural commodities. In any year when the average farm price of wool is less than the support level set forth for the month of January of such year the Secretary of Agriculture shall make payments to farmers. The amount of the payment to an individual farmer shall be determined by multiplying the pounds of shorn wool the farmer produced and sold by the difference between the average farm price for the year and the support level for the month of January of such year.

"The Secretary is authorized to require the wool producer to submit satisfactory evidence of the amount of wool which he produced and sold for the purpose of verification of claims for support payments.

"(4) The Secretary of Agriculture shall be charged with the administration of the wool-control program. The Secretary shall establish such import quotas for foreign raw-apparel wool as may be necessary to insure the consumption of each year's production of domestic wool in the United States.

"The Secretary of Agriculture is hereby authorized and directed to prescribe such methods, rules, and regulations as may be necessary to carry out the provisions of this Act.

"The Secretary shall have discretionary power to grant relief from such regulations in hardship cases when-

ever said program has impaired the operations of any individual wool textile mill or a group thereof, or the wool textile industry as a whole.

"(5) The Secretary of Agriculture shall designate an agency which shall be authorized to purchase and hold at all times an amount of both foreign and domestic wool deemed necessary to protect against a short supply in the market.

"It shall have authority to sell its stock pile of wool at a price over cost plus a reasonable handling charge, or to sell wool for less if it deems it advisable. It shall have authority to sell its stock pile of wool in order to rotate stocks which it holds, to reduce or liquidate its stock pile, and to provide wool for use by mills in the United States when the market supply is short.

"It is hereby authorized to sell wool at less than parity price or less than the comparable price.

"(6) The importation of wool top, yarn, fabrics, and other processed wool products shall be limited on a pound basis in any calendar year as follows:

"1. Wool top and wool wastes shall be limited to not more than 15 per centum of the raw-apparel wool imports of the previous year.

"2. Woven wool apparel cloth, felts, blankets and pile fabrics, and articles made from such materials shall be

limited to not more than $2\frac{1}{2}$ per centum of the United States production of woven wool apparel cloth in the preceding year.

"3. Wool yarn and wool knit items shall be limited to not more than 1.5 per centum of the total United States production of wool sales yarn in the preceding year.

"7. Wool is hereby declared to be a basic agricultural commodity in addition to the basic commodities enumerated in subdivision (f) (2) hereof.

80TH CONGRESS
1ST SESSION

H. R. 1890

A BILL

To amend section 22 of the Agricultural Adjustment Act (reenacted by the Agricultural Marketing Agreement Act of 1937), so as to extend such Act to all programs of the Department of Agriculture, and agencies operating under its direction, and for other purposes.

By Mr. BARRETT

FEBRUARY 12, 1947
Referred to the Committee on Agriculture

80TH CONGRESS
1ST SESSION

H. R. 2318

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1947

Mr. HILL introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize the Secretary of Agriculture to provide support for wool, to amend section 22 of the Agricultural Adjustment Act (reenacted by the Agricultural Marketing Agreement Act of 1937), by adding thereto a new section relating to wool, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wool Support Act of 1947".

SEC. 2. The Secretary of Agriculture, through the exercise of the powers conferred under this Act, is directed to support, during the period beginning April 15, 1947, and ending December 31, 1948, the price of wool produced

in the continental United States and Territories so that the average farm price of such wool, adjusted for grade, quality, season, and location, shall not be less than the prices received under the 1946 wool price support program. If in any year the average farm price of wool is less than the support level provided herein, the Secretary of Agriculture shall make direct payments to farmers. The amount of the payment to an individual farmer shall be determined by multiplying the pounds of shorn wool the farmer produced and sold by the difference between the average farm price for the year and the support price provided herein.

The Secretary of Agriculture shall require producers of wool to submit satisfactory evidence of the amount of wool produced and sold and such other evidence as he deems necessary for the purpose of verifying claims for support payments.

SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C. 1940 edition, title 7, sec. 624), is hereby amended by adding a new subdivision as follows:

"(f) Notwithstanding any of the foregoing provisions of this section, whenever it appears to the Secretary of Agriculture that foreign raw-apparel wool is being or is practically certain to be imported into the continental United States under such conditions and in such quantities as to

interfere materially with any program or operation undertaken under the Wool Support Act of 1947, or any other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to domestic raw-apparel wool, or to reduce substantially the amount of any product processed in the United States from such commodity then, and in that event, import quotas for the importation of foreign raw-apparel wool other than for the manufacture of carpets and other uses as specified in paragraph 1101 (B) of the Tariff Act of June 1930 shall be established in the following manner:

"(1) The Secretary of Agriculture shall determine and announce as of January 1 of each year the estimated United States requirements for imports of such foreign raw-apparel wool for each succeeding twelve-month period, and he shall establish and announce import quotas for such foreign raw-apparel wool for each quarter of the year at least one month prior to the beginning of such quarter. Quotas may be established by grade or upon such other bases as the Secretary may determine.

"(2) The Secretary of Agriculture shall establish and administer import quotas for such foreign raw-apparel wool in such manner as to (a) support, until December 31, 1948, the average farm price of wool produced in the continental United States and Territories, as nearly as practicable, at

the support level provided herein, and (b) insure the consumption of each year's domestic production of wool.

"(3) All persons engaged in the production, marketing, processing, or manufacture of wool, and having information which the Secretary of Agriculture deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, or his designated agent, furnish such information. Any person who willfully fails or refuses to furnish information requested under this section, or who willfully furnishes false information in response to any such request, shall, upon conviction thereof, be punished by a fine of not to exceed $500 or by imprisonment for not to exceed one year, or both.

"(4) The Secretary of Agriculture shall have discretionary power to grant relief in hardship cases whenever the program authorized hereunder has impaired, or threatens to impair, the operations of any wool textile mill or the wool textile industry as a whole.

"The Secretary of Agriculture is hereby authorized to prescribe such methods, rules, and regulations as may be necessary to carry out the provisions of this Act.

"(5) The Secretary of Agriculture is authorized to purchase and hold, at all times, an amount of both foreign and domestic wool deemed necessary to protect against a short supply in the market, and he shall have authority to

sell such stock pile of wool at such prices as he deems advisable. Wool from such stock pile may be sold in order to rotate stocks, to reduce or liquidate the stock pile, or to provide wool for use by mills in the United States when the market supply is short.

"Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized to sell any wool owned by the Commodity Credit Corporation or any other agency of the Department of Agriculture at prices which will permit such wool to be sold in competition with foreign wool.

"(6) Whenever import quotas are in effect with respect to raw-apparel wool, the importation of wool top, yarn, fabrics, and other processed wool products shall be limited on a pound basis in any calendar year as follows:

"a. Wool top and wool wastes shall be limited to not more than 15 per centum of the raw-apparel wool imports of the previous year.

"b. Woven wool apparel cloth, felts, blankets, and pile fabrics made from such materials shall be limited to not more than 2½ per centum of the United States production of woven wool apparel cloth in the preceding year.

"c. Wool yarn and wool knit items shall be limited to not more than 1½ per centum of the total United States production of wool sales yarn in the preceding year."

SEC. 4. There is hereby authorized to be appropriated,

out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

80TH CONGRESS
1ST SESSION

H. R. 2318

A BILL

To authorize the Secretary of Agriculture to provide support for wool, to amend section 22 of the Agricultural Adjustment Act (re-enacted by the Agricultural Marketing Agreement Act of 1937), by adding thereto a new section relating to wool, and for other purposes.

By Mr. HILL

FEBRUARY 28, 1947

Referred to the Committee on Agriculture

Office of Budget and Finance
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL LEGISLATION (H.J. 63, S.R. 2318, H.R. 1890, AND H.R. 1825), MARCH 4, 1947

The first witness was Under Secretary Dodd. Before Mr. Dodd could testify Rep. Granger asked that the recent Tariff Commission report on the cost of producing wool be incorporated as a part of the hearing record at the outset.

Mr. Dodd then reviewed briefly the reasons for the wool price support program, namely, that wool is a strategic material and that producers are entitled to price guarantees comparable to other agricultural commodities. This, however, led to the present situation in which CCC holds wool stocks totaling approximately 460 million pounds which is almost impossible to liquidate because of legislation requiring a selling price at not less than 100 percent of parity. To meet this situation Mr. Dodd said that the Department favors legislation combining a support price feature with quota limitations on the importations of foreign wools. In this connection he said that the Department has expressed itself in favor of the legislation introduced by Rep. Granger on this subject. It was also stated that the Department had recommended legislation which would provide for import control in case imports were interfering with price support programs for farm products. This proposed legislation is covered in H.R. 1825.

In the discussion which followed Mr. Dodd further pointed out that the Department favors the comparable price formula for all commodities, as well as wool. He pointed out that because the U. S. price for wool is higher than the world price plus the 34 cents tariff there is no possibility of marketing U. S. wool outside the domestic market except at a great loss. Without restrictions on imports price support activity in effect tends to support the world market as well, and in addition drastically hinders any possibility of selling domestic wool purchased by CCC.

Rep. Pace brought out the point that if CCC were to price its wool at less than parity the loss incurred probably would not be significant compared with losses on stocks incurred for other commodities in connection with the war. Mr. Dodd promised to provide the committee with estimates of this cost if the stock pile is liquidated at prices below parity. The question of what period should be covered by the proposed legislation was discussed, Mr. Dodd indicating that for the time being at least it should be the same as for Steagall commodities, i.e., to expire December 31, 1948.

In connection with the discussion of world consumption of wool, Mr. Dodd promised to provide the committee with data on foreign wool consumption by countries beginning with the postwar period. Regarding the disposal of CCC stocks Mr. Dodd said the Department would favor taking sufficient time to liquidate them in an orderly manner.

Rep. Barrett next testified with regard to H.R. 1890 proposed by him. He stated that the average age of stock sheep has increased as a result of liquidating ewe lambs and that for this reason sheep numbers will undoubtedly continue their downward trend of the past few years. He pointed out that the Tariff Commission study shows that even the support price for wool is several cents below the cost of production, even with the present price at or above parity. He pointed out further that the 1909-1914 base period from

which parity prices are calculated was the most unfavorable period that could be selected for lambs and wool and for that reason favored liquidation of the sheepmen's price for parity on these two commodities. He pointed out that even with wool consumption in the U. S. at a very high level, 94% of the wool used for apparel purposes was foreign wool. Reference was made to the possibility of a reduction in the tariff on wool. Rep. Barrett said that this unfavorable prospect was one of the reasons for the liquidation that has been in progress and that if this action were taken it would have a very disastrous effect upon the sheep industry.

J. B. Ives*
Livestock Branch, FDA

*In cooperation with the Legislative Reports and Service Section.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL SITUATION, MARCH 5, 1947

The hearing opened with an explanation by Rep. Barrett concerning his bill. Mr. Barrett reported that the Department considers that comparative price for wool is reasonable, just, fair, equitable, etc. Congressman Pace questioned the precedent which changing the base period for computing parity might set. There was further discussion regarding comparable price for wool, with the general tone of the discussion indicating that a change in parity price is needed and that comparable price would be satisfactory.

A question was raised about provisions for controlling production of wool along with the provisions for support of wool such as is provided under the Agricultural Adjustment Act for certain other agricultural products. It was pointed out that such control was not needed for wool since we never produce as much as we consume.

Import quotas were discussed, and the British monopoly in wool and Government monopoly of other agricultural items was mentioned.

Cost of production and the loss of about nine cents per pound for wool, as shown by a recent Tariff Commission study, was pointed out. No exceptions to the Tariff Commission figures were raised. Quotas on wool goods were discussed, concluding Rep. Barrett's testimony on his own bill.

Congressman Fisher, of Texas, made a general statement in favor of the Barrett bill or other legislation which would accomplish the purpose of maintaining the price of wool.

Mr. S. J. Pauley, President of the National Wool Growers Association, read a prepared statement covering the sheep industry in general. His article included references to wool as a strategic military material, the decline in sheep numbers, the stock pile of the Joint Organization and their price policy and emphasized the need for action prior to April 15. It was pointed out that some farmers are planning to shear their sheep early enough to sell wool under the present program, thereby endangering their flocks in case of late cold weather.

Support of dairy products by the Department was criticized as supporting only skim milk, which represents one-half of the product milk, illustrating the need for careful wording of wool legislation to prevent misinterpretation. Congressman Hill predicted that sugar production in the United States would soon be in a position comparable to wool and emphasized that wool was a war casualty. The use of import fees provided under H.R. 1825 instead of quotas was suggested. Congressman Hope admitted that for all effects and purposes the import fee was simply an increase in the tariff.

The meeting adjourned with arrangements for the first hour on Thursday to be given to proponents and the remainder of the session to opponents of the bill.

D. M. Pettus*
Livestock Branch, PMA

*In cooperation with the Legislative Reports and Service Section.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL SITUATION,
MARCH 6, 1947

Mr. Askey, Secretary of the Texas Sheep and Goat Raisers Association, read a statement covering the general wool situation and urging Congressional action to assist wool producers. He reported that sheepmen are planning to start shearing by March 20 this year, which is earlier than normal, in order to sell wool under the current program, which ends April 15.

Mr. C.J. Fawcett, General Manager of the National Wool Marketing Corporation, read a statement giving statistics on national and international wool production and prices, U.S. imports, consumption, etc. He reported that an International wool agreement is in the making but that the details of the agreement were not available. He recommended legislative action (1) including comparable price for wool, (2) extending the present wool purchase program, (3) authorizing the Commodity Credit Corporation to sell wool below parity, and (4) including wool as a basic agricultural commodity. In the general discussion it was maintained by several persons (and denied by none) that lamb was a Steagall commodity. It was stated that wool was a Steagall commodity, but Mr. Pace clarified this and advised that wool was not a Steagall commodity.

Mr. Wilkins, Mr. Winder, and Mr. Wilson, representing various segments of the sheep industry, filed statements.

Mr. Hester, a Washington attorney for the National Wool Trade Association and the Boston Wool Trade Association, read a report of the position of the wool trade regarding the bills which had been introduced. The report was against (1) the continuation of the Government purchase of wool, (2) the substitution of comparable price for parity price, and (3) the institution of import quotas for wool. It recommended authority for selling wool below parity and recommended the support of wool at 90 percent of parity. It criticized the Tariff study on cost of producing wool and pointed out that the production of lambs and wool in Virginia and the farm States was a profitable business at the present time.

Cross-examination regarding the statement by Mr. Hester was somewhat critical and was the liveliest of the day, with Rep. Hill questioning the witness.

D. M. Pettus*
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* In cooperation with the Legislative Reports and Service Section.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL SITUATION, MARCH 7, 1947.

The hearing regarding wool bills continued with Mr. Hester, attorney for the National Wool Trade Association and the Boston Wool Trade Association, assisted by Mr. Mariner and Mr. Webb from the wool trade industry. The position of the wool trade was again set forth as opposing quotas, taking the position that:

1. An estimate of requirements for an advance period of six months would be necessary, yet impossible to make.

2. Allocations under the quota among foreign countries would be most difficult.

3. Allocating imports among importers in the United States would be extremely difficult.

4. The wool trade would be denied the free choice of selecting the most suitable wool for their requirements.

5. The use of synthetic fibers would be encouraged.

6. It is Government control similar to Office of Price Administration control.

7. It would restrict free enterprise in the wool industry.

The wool trade indicated that it was agreeable to the import fees provided under H. R. 1825.

Mr. Hester's criticism of the Tariff Commission study on cost of producing wool was questioned by Congressman Granger.

Mr. Mariner testified that the orderly dumping of the current wool holdings of Commodity Credit Corporation on the market at this time would not affect the world price of wool. Further questioning regarding the nature of the Joint Organization's operations took place with Representative Hill expressing the belief that this organization had some monopolistic aspects. Representatives of the wool trade maintained that the world wool price was set under conditions of free trade and was not rigged by the Joint Organization.

The representatives of the wool trade stated that they had met with representatives of the wool growers and attempted to develop a program which both the trade and the producers could support before the committee, but they were unable to come to an agreement.

Mr. Hester testified that the Herter bill, H. R. 2401, embodies the recommendation of the wool trade.

Mr. Mariner estimated that an increase of five cents per pound in the price of wool would not change the price of men's suits which were sold on a fixed price arrangement but that it might result in an increase of 5 to 10 dollars per suit in tailormade suits and other more expensive suits.

Mr. Carl H. Wilken, economic analyst for the Raw Material National Council of Sioux City, Iowa, filed a statement and gave a brief report. His proposals were based on the contention that one dollar of farm income is translated into seven dollars of national income, a ratio that has existed since 1921. He proposed that the problem of maintaining the price of wool should be included with the problem of maintaining the price of all agricultural commodities at 100 percent of parity. He proposed that tariffs should be flexible enough to provide a level of prices for farm products at 100 percent of parity. He recommended that export subsidies be provided for all products in surplus in the United States. The funds for such subsidy would come from Section 32 funds. He submitted that the United States now has the lowest cost of living per capita income of any time in its history.

Testimony concluded and hearings adjourned.

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HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE RELATIVE TO WOOL LEGISLATION (H.R. 53, H.R. 2318, H.R. 1890 AND H.R. 1825), MARCH 11, 1947

Mr. C. M. Nichols presented testimony for the State Department in which he stated that the proposed legislation regarding extension of the wool program could be divided into two categories: (1) Those which contemplate import quotas or some further extension of import duties as a means of supporting wool prices; and (2) Those which would enable domestic wool to be marketed at competitive prices. He felt that legislation of the first type requiring the erection of new trade barriers would not conform with the over all United States policy with regard to the promotion of world trade.

Congressman Hill then pointed out that this position seemed to be in conflict with that of the Agriculture Department presented by Mr. Dodd a few days ago in which it seemed that Agriculture favored import quotas as a part of the price-support mechanism. Mr. Hill also questioned Mr. Nichols as to how one could argue that foreign trade is so important to economic prosperity in this country when it is so small (5 percent) in relation to our total domestic trade.

Mr. Flannagan next questioned Mr. Nichols as to State Department policy, during which discussion it was brought out that the recent Tariff Commission report indicates that even under the present price support program wool is being produced in this country at a financial loss to growers. In further explaining the State Department position Mr. Nichols stated that the Department's recommendation would be to continue price support on wool through either: (a) Direct income payments to growers, or (b) Government purchase of wool at a pre-determined level with resale being made at competitive prices. Further, the State Department is opposed to either: (a) An increase in wool tariff, or (b) quota regulations.

In the discussion which followed, Mr. Pace suggested that if the State Department favors wool price support legislation which involves a financial loss to the United States Treasury, the Department should also consider the total loss on all agricultural commodities which would be involved if similar programs were adopted for other agricultural commodities as well.

Mr. Murray next discussed the over-all foreign trade position of the United States with respect to agricultural products during the past 25 years. He brought out that import quotas have been employed in 19 other cases and asked why such restriction should be so objectionable when considered for wool. In reply to Mr. Worley's question, Mr. Nichols stated that the present tariff on wool is recognized as a protective duty.

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MEETING BEFORE HOUSE COMMITTEE ON AGRICULTURE RELATIVE TO WOOL LEGISLATION (H.R. [illegible], H.R. 2318, H.R. 1890 AND H.R. 1825) MARCH 12, 1947

The meeting opened with Rep. Poage questioning Mr. Nichols as to State Department policy with respect to foreign trade in wool. The discussion developed the following points:

1. The State Department has no objection to giving some financial assistance to the wool producers in this country.
2. With regard to foreign trade in general it is the State Department's view that the U. S. cannot enjoy full economic prosperity if excessive restrictions on foreign trade are maintained.
3. The State Department is not advocating a completely free-trade policy, but it is alarmed by the possible imposition of any further restrictions on trade.
4. The State Department would go slow in the removing of tariff protection which has been in effect for some industries over a considerable period of years.
5. The 34¢ wool duty now in effect was established as a part of the Smoot-Hawley tariff. There have been no major changes in the wool tariff under the Reciprocal Trade Agreements Act, but this does not mean that the State Department does not think the wool tariff is too high.
6. The U. S. as a whole is not consistent in its approach to the question of free enterprise. Wool growers, for example, are among the loudest proponents of eliminating Government interference in business.
7. By and large, U. S. consumers should not expect to obtain any agricultural commodity at prices less than 90 percent of parity.
8. An important argument in favor of the tariff on wool is that foreign producers should be expected to bear a revenue charge equivalent to the taxes paid by American producers of wool.

Mr. Andresen read a letter to the chairman of the committee from the Secretary of Agriculture dated March 11 which stated in effect that the Department favors import quotas on wool.

When questioned about the apparent difference of opinion between the Departments of State and Agriculture, Mr. Nichols said that the subject of U. S. wool policy had been discussed with Agriculture and he had thought that the two Departments were in fairly close agreement as to their ideas on the subject. He agreed that the policy of the State Department with regard to foreign trade is not different from that expressed by the President in his recent Texas speech.

Mr. Flannagan insisted that it is inconsistent for the State Department to sanction an embargo on wheat and yet be opposed to import quotas on wool.

Replying to Rep. Granger's question, Mr. Nichols stated that if Congress adopts a wool program calling for the support of wool prices by Government purchasers accompanied by sale of wool at a loss to the Federal treasury, the State Department would do its best to support such a program.

Mr. L. O. Connors of the Tariff Commission next testified regarding the Commission's recent study of the cost of producing wool. His testimony was principally in defense of this study, which had been strongly criticized by some persons during these hearings.

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HEARING BEFORE HOUSE AGRICULTURE COMMITTEE ON WOOL SITUATION, MARCH 13, 1947

Mr. Louis Connor, of the Tariff Commission, continued his testimony in justification of the Tariff Commission Study, "Estimated Cost of Production of Wool, Sheep and Lambs in 1945 and 1946 Compared with Data for the Period 1940-44."

Mr. Connor stated that money was not available to get detailed information from a large number of wool producers. Therefore, the Tariff Commission had obtained information representing about 1,000 growers. The Farm Credit Administration furnished some of the information. In 1945 the growers represented produced two more lambs per 100 ewes than the United States average, while in 1944 the growers represented produced six more lambs per 100 ewes than the United States average.

The latest bookkeeping data available on cost of producing sheep, lambs and wool was in 1943 and Mr. Connor indicated he would like to make a more detailed study involving an expenditure of $35,000 on the cost of producing wool, sheep, and lambs.

The point had been made that the cost of producing sheep, lambs and wool was not separable, but Mr. Connor maintained that all accounting procedures allocate cost by items and that the costs of producing wool compared with lambs was based on comparative receipts from these items. He contended that wool was not a by-product but a joint product of the sheep, lamb and wool industry.

The study had been criticized because the sample represents less than 1,000 of the 500,000 sheep and lamb producers in the United States and, therefore, is not accurate. He admitted that there was some truth in this point but stated that it is impossible to get costs on all producers of sheep and lambs and that it is necessary to use a sample. He reported that the ranches which were checked had no substantial income other than from sheep and lambs.

Congressman Hill pointed out that the committee was interested more in the cost of producing wool in the Western area than the cost of producing wool in farm flock areas because the sheep industry in the West was a major industry and produced the majority of wool, while in the farm States wool production was generally a sideline.

Representative Murray of Wisconsin requested that Mr. Connor outline a program to remedy the difficulties in which the wool industry now finds itself. Mr. Connor, however, preferred to limit his statements to evaluations of plans proposed.

Mr. Connor believed that the reduction in stock sheep did not result from high prices for lambs, but rather than numbers were reduced because lambs were sold in order to pay expenses which were incurred in maintaining operations. He pointed out that stock sheep numbers have been decreasing since 1942 and that if this rate of decrease continued there would be no sheep within 16 or 17 years.

In refuting a statement made by the wool trade that sheep production tended to increase during periods of low prices and to decline during periods of high prices, Mr. Connor claimed that the periods selected covered too many years. Also, some increases in periods of low prices were due to favorable weather, and some decreases in periods of high prices were due to high costs.

Congressman Granger raised the question of the equity of the parity base for wool, and Mr. Connor reported that the 1909-14 period was very unfavorable for wool, and not as

unfavorable net looks at the wool. He stated that, contrary to the report that wool growers need only 90 percent of parity to stay in business, they would lose 10 cents per pound at that price before deducting interest charges.

Under questioning, Mr. Connor reported that the price of foreign wool duty paid in Boston averaged 55 cents per grease pound, whereas the price of C.C.C. purchases on the Boston basis was approximately 45 cents per grease pound. Congressman [illegible] requested an explanation of why the C.C.C. cannot sell its wool under such conditions. Mr. Connor explained that domestic wool yields only 40 percent clean content, while foreign wool yields 55 percent clean content, in addition to the fact that imported wool has been skirted and requires less labor in processing than does domestic wool. Answering further questions from the committee Mr. Connor reported that Australian wool, when shorn, had a yield of 49 to 50 percent. The committee questioned if these figures were consistent with the report from the trade that foreign wool would be purchased at a price 10 percent above the price of domestic.

Representative Poage, of Texas, referred to shearing costs in the Tariff Commission study and asked who paid 47 cents for having wool shorn. Mr. Connor explained that it was difficult to determine exact shearing costs because the practices concerning shearing varied throughout the different States. The shearing costs include labor, feed, wool bags, etc. used in connection with the shearing of sheep. He also advised that sheep in parts of Texas were shorn twice a year. He reported that the long fleece obtained by shearing only once a year was worth approximately 10 percent more per pound than fleece shorn twice a year.

Mr. Connor advised that he considered import quotas on wool to be a very difficult program to administer. He considered H.R. 63 to be a good bill. He advised that a flexible tariff was desirable but that tariff changes should be infrequent. Mr. Connor stated that the duty on woolen cloth had been sharply lowered in 1939, the greatest reduction being on woolen cloth requiring the greatest amount of labor. This reduced tariff resulted in greater imports of wool goods.

Congressman D'Ewart, of Montana, read a statement covering the importance of wool and livestock industry to Montana. He mentioned five points brought before the committee which he believed should be given added emphasis. They were: (1) The Joint Organization and its functions; (2) the amount of wool handled by Boston wool trade was only 1/3 of the domestic clip; and the Boston wool trade handled 5 pounds of imported wool for each pound of domestic wool during the past year. Therefore, the testimony of the trade should be considered as coming from importers; (3) the cost of the wool program to the Government was small in comparison with the income derived from the tariff on wool, which has averaged 120 million dollars in recent years; (4) the price of lambs, while being comparatively high at the present time, has been high only since price ceilings have been removed; and (5) the Herter bill containing three provisions, one of which provided for a support not above 36 cents per pound on wool, did not recognize the costs which have incurred since 1942. Congressman D'Ewart proposed six possible courses of action as follows: (1) Let the C.C.C. program expire and lower the tariff; (2) increase the tariff; (3) provide quotas; (4) establish a comparable price with a price support program; (5) provide a subsidy with direct appropriations; or (6) provide import fees or a combination of the above possibilities. He favored first a fee on the imports of wool and second a quota if a fee system was not provided. He recommended that wool be designated as a basic agricultural commodity and he stated that he was against a subsidy for wool producers.

A representative from the National League of Women Shoppers, a consumer organization of housewives and professional women formed in 1935, read a statement opposing an increase in the tariff on wool. She opposed bills which would result in the increase

in the price of wool clothing. She proposed that the bills introduced would increase the price of clothing beyond the ability of the average person to pay and that synthetics and cotton clothing would be used instead. She maintained that wool growers requested the elimination of the Office of Price Administration and the removal of Government interference from private enterprise, and that the producers were now inconsistent in requesting Government action to support their industry.

She reported that her organization, as tax payers, objected to the subsidy required to support wool under the present program. She stated that quotas were one of the most serious barriers to world trade and recommended free trade on an international basis as a general principal. Under cross-examination the witness admitted that she did not propose to be able to answer questions concerning agricultural economic problems and that she represented a consumer group who preferred, generally speaking, to be able to purchase consumer goods at the lowest price available without interference by Government trade barriers. Congressman Pace illustrated the implications of this theory where labor was the main cost of production.

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